

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The School Code is amended by changing Sections
5 11E-35, 11E-40, 11E-45, 11E-50, 11E-60, 11E-65, 11E-135,
6 18-8.05, 29-3, and 29-5 as follows:

7 (105 ILCS 5/11E-35)

8 Sec. 11E-35. Petition filing.

9 (a) A petition shall be filed with the regional
10 superintendent of schools of the educational service region in
11 which the territory described in the petition or that part of
12 the territory with the greater percentage of equalized assessed
13 valuation is situated. The petition must do the following:

14 (1) be signed by at least 50 legal resident voters or
15 10% of the legal resident voters, whichever is less,
16 residing within each affected district; or

17 (2) be approved by the school board in each affected
18 district.

19 (b) The petition shall contain all of the following:

20 (1) A request to submit the proposition at a regular
21 scheduled election for the purpose of voting:

22 (A) for or against a high school - unit conversion;

23 (B) for or against a unit to dual conversion;

1 (C) for or against the establishment of a combined
2 elementary district;

3 (D) for or against the establishment of a combined
4 high school district;

5 (E) for or against the establishment of a combined
6 unit district;

7 (F) for or against the establishment of a unit
8 district from dual district territory exclusively;

9 (G) for or against the establishment of a unit
10 district from both dual district and unit district
11 territory;

12 (H) for or against the establishment of a combined
13 high school - unit district from a combination of one
14 or more high school districts and one or more unit
15 districts;

16 (I) for or against the establishment of a combined
17 high school - unit district and one or more new
18 elementary districts through a multi-unit conversion;

19 (J) for or against the establishment of an optional
20 elementary unit district from a combination of a
21 substantially coterminous dual district; or

22 (K) for or against dissolving and becoming part of
23 an optional elementary unit district.

24 (2) A description of the territory comprising the
25 districts proposed to be dissolved and those to be created,
26 which, for an entire district, may be a general reference

1 to all of the territory included within that district.

2 (3) A specification of the maximum tax rates for
3 various purposes the proposed district or districts shall
4 be authorized to levy for various purposes and, if
5 applicable, the specifications related to the Property Tax
6 Extension Limitation Law, in accordance with Section
7 11E-80 of this Code.

8 (4) A description of how supplementary State deficit
9 difference payments made under subsection (c) of Section
10 11E-135 of this Code will be allocated among the new
11 districts proposed to be formed.

12 (5) Where applicable, a division of assets and
13 liabilities to be allocated to the proposed new or annexing
14 school district or districts in the manner provided in
15 Section 11E-105 of this Code.

16 (6) If desired, a request that at that same election as
17 the reorganization proposition a school board or boards be
18 elected on a separate ballot or ballots to serve as the
19 school board or boards of the proposed new district or
20 districts. Any election of board members at the same
21 election at which the proposition to create the district or
22 districts to be served by the board or boards is submitted
23 to the voters shall proceed under the supervision of the
24 regional superintendent of schools as provided in Section
25 11E-55 of this Code.

26 (7) If desired, a request that the referendum at which

1 the proposition is submitted for the purpose of voting for
2 or against the establishment of a unit district (other than
3 a partial elementary unit district) include as part of the
4 proposition the election of board members by school board
5 district rather than at large. Any petition requesting the
6 election of board members by district shall divide the
7 proposed school district into 7 school board districts,
8 each of which must be compact and contiguous and
9 substantially equal in population to each other school
10 board district. Any election of board members by school
11 board district shall proceed under the supervision of the
12 regional superintendent of schools as provided in Section
13 11E-55 of this Code.

14 (8) If desired, a request that the referendum at which
15 the proposition is submitted for the purpose of voting for
16 or against the establishment of a unit to dual conversion
17 include as part of the proposition the election of board
18 members for the new high school district (i) on an at large
19 basis, (ii) with board members representing each of the
20 forming elementary school districts, or (iii) a
21 combination of both. The format for the election of the new
22 high school board must be defined in the petition. When 4
23 or more unit school districts and a combination of board
24 members representing each of the forming elementary school
25 districts are involved and at large formats are used, one
26 member must be elected from each of the forming elementary

1 school districts. The remaining members may be elected on
2 an at large basis, provided that none of the underlying
3 elementary school districts have a majority on the
4 resulting high school board. When 3 unit school districts
5 and a combination of board members representing each of the
6 forming elementary school districts are involved and at
7 large formats are used, 2 members must be elected from each
8 of the forming elementary school districts. The remaining
9 member must be elected at large.

10 (9) If desired, a request that the referendum at which
11 the proposition shall be submitted include a proposition on
12 a separate ballot authorizing the issuance of bonds by the
13 district or districts when organized in accordance with
14 this Article. However, if the petition is submitted for the
15 purpose of voting for or against the establishment of an
16 optional elementary unit district, the petition may
17 request only that the referendum at which the proposition
18 is submitted include a proposition on a separate ballot
19 authorizing the issuance of bonds for high school purposes
20 (and not elementary purposes) by the district when
21 organized in accordance with this Article. The principal
22 amount of the bonds and the purposes of issuance, including
23 a specification of elementary or high school purposes if
24 the proposed issuance is to be made by a combined high
25 school - unit district, shall be stated in the petition and
26 in all notices and propositions submitted thereunder. Only

1 residents in the territory of the district proposing the
2 bond issuance may vote on the bond issuance.

3 (10) A designation of a committee of ten of the
4 petitioners as attorney in fact for all petitioners, any 7
5 of whom may at any time, prior to the final decision of the
6 regional superintendent of schools, amend the petition in
7 all respects (except that, for a unit district formation,
8 there may not be an increase or decrease of more than 25%
9 of the territory to be included in the proposed district)
10 and make binding stipulations on behalf of all petitioners
11 as to any question with respect to the petition, including
12 the power to stipulate to accountings or the waiver thereof
13 between school districts.

14 (c) The regional superintendent of schools shall not accept
15 for filing under the authority of this Section any petition
16 that includes any territory already included as part of the
17 territory described in another pending petition filed under the
18 authority of this Section.

19 (d) (1) Those designated as the Committee of Ten shall serve
20 in that capacity until such time as the regional superintendent
21 of schools determines that, because of death, resignation,
22 transfer of residency from the territory, failure to qualify,
23 or any other reason, the office of a particular member of the
24 Committee of Ten is vacant. Upon determination by the regional
25 superintendent of schools that these vacancies exist, he or she
26 shall declare the vacancies and shall notify the remaining

1 members to appoint a petitioner or petitioners, as the case may
2 be, to fill the vacancies in the Committee of Ten so
3 designated. An appointment by the Committee of Ten to fill a
4 vacancy shall be made by a simple majority vote of the
5 designated remaining members.

6 (2) Failure of a person designated as a member of the
7 Committee of Ten to sign the petition shall not disqualify that
8 person as a member of the Committee of Ten, and that person may
9 sign the petition at any time prior to final disposition of the
10 petition and the conclusion of the proceedings to form a new
11 school district or districts, including all litigation
12 pertaining to the petition or proceedings.

13 (3) Except as stated in item (10) of subsection (b) of this
14 Section, the Committee of Ten shall act by majority vote of the
15 membership.

16 (4) The regional superintendent of schools may accept a
17 stipulation made by the Committee of Ten instead of evidence or
18 proof of the matter stipulated or may refuse to accept the
19 stipulation, provided that the regional superintendent sets
20 forth the basis for the refusal.

21 (5) The Committee of Ten may voluntarily dismiss its
22 petition at any time before a final decision is issued by the
23 ~~petition is approved by either the regional superintendent of~~
24 ~~schools or~~ State Superintendent of Education.

25 (Source: P.A. 94-1019, eff. 7-10-06.)

1 (105 ILCS 5/11E-40)

2 Sec. 11E-40. Notice and petition amendments.

3 (a) Upon the filing of a petition with the regional
4 superintendent of schools as provided in Section 11E-35 of this
5 Code, the regional superintendent shall do all of the
6 following:

7 (1) Cause a copy of the petition to be given to each
8 school board of the affected districts and the regional
9 superintendent of schools of any other educational service
10 region in which territory described in the petition is
11 situated.

12 (2) Cause a notice thereof to be published at least
13 once each week for 3 successive weeks in at least one
14 newspaper having general circulation within the area of all
15 of the territory of the proposed district or districts. The
16 expense of publishing the notice shall be borne by the
17 petitioners and paid on behalf of the petitioners by the
18 Committee of Ten.

19 (b) The notice shall state all of the following:

20 (1) When and to whom the petition was presented.

21 (2) The prayer of the petition.

22 (3) A description of the territory comprising the
23 districts proposed to be dissolved and those to be created,
24 which, for an entire district, may be a general reference
25 to all of the territory included within that district.

26 (4) If applicable, the proposition to elect, by

1 separate ballot, school board members at the same election,
2 indicating whether the board members are to be elected at
3 large or by school board district.

4 (5) If requested in the petition, the proposition to
5 issue bonds, indicating the amount and purpose thereof.

6 (6) The day, time, and location on which the hearing on
7 the action proposed in the petition shall be held.

8 (c) The requirements of subsection (g) of Section 28-2 of
9 the Election Code do not apply to any petition filed under this
10 Article. Notwithstanding any provision to the contrary
11 contained in the Election Code, the regional superintendent of
12 schools shall make all determinations regarding the validity of
13 the petition, including without limitation signatures on the
14 petition, subject to State Superintendent and administrative
15 review in accordance with Section 11E-50 of this Code.

16 (d) Prior to the hearing described in Section 11E-45 of
17 this Code, the regional superintendent of schools shall inform
18 the Committee of Ten as to whether the petition, as amended or
19 filed, is proper and in compliance with all applicable petition
20 requirements set forth in the Election Code. If the regional
21 superintendent determines that the petition is not in proper
22 order or not in compliance with any applicable petition
23 requirements set forth in the Election Code, the regional
24 superintendent must identify the specific alleged defects in
25 the petition and include specific recommendations to cure the
26 alleged defects. The Committee of Ten may amend the petition to

1 cure the alleged defects at any time prior to the receipt of
2 the regional superintendent's written order made in accordance
3 with subsection (a) of Section 11E-50 of this Code or may elect
4 not to amend the petition, in which case the Committee of Ten
5 may appeal a denial by the regional superintendent following
6 the hearing in accordance with Section 11E-50 of this Code.

7 (Source: P.A. 94-1019, eff. 7-10-06.)

8 (105 ILCS 5/11E-45)

9 Sec. 11E-45. Hearing.

10 (a) No more than 15 days after the last date on which the
11 required notice under Section 11E-40 of this Code is published,
12 the regional superintendent of schools with whom the petition
13 is required to be filed shall hold a hearing on the petition.
14 Prior to the hearing, the Committee of Ten shall submit to the
15 regional superintendent maps showing the districts involved
16 and any other information deemed pertinent by the Committee of
17 Ten to the proposed action. The regional superintendent of
18 schools may adjourn the hearing from time to time or may
19 continue the matter for want of sufficient notice or other good
20 cause.

21 (b) At the hearing, the regional superintendent of schools
22 shall allow public testimony on the action proposed in the
23 petition. The Committee of Ten ~~regional superintendent~~ shall
24 present, or arrange for the presentation of all of the
25 following:

1 (1) Evidence as to the school needs and conditions in
2 the territory described in the petition and the area
3 adjacent thereto.

4 (2) Evidence with respect to the ability of the
5 proposed district or districts to meet standards of
6 recognition as prescribed by the State Board of Education.

7 (3) A consideration of the division of funds and assets
8 that will occur if the petition is approved.

9 (4) A description of the maximum tax rates the proposed
10 district or districts is authorized to levy for various
11 purposes and, if applicable, the specifications related to
12 the Property Tax Extension Limitation Law, in accordance
13 with Section 11E-80 of this Code.

14 (c) Any regional superintendent of schools entitled under
15 the provisions of this Article to be given a copy of the
16 petition and any resident or representative of a school
17 district in which any territory described in the petition is
18 situated may appear in person or by an attorney at law to
19 provide oral or written testimony or both in relation to the
20 action proposed in the petition.

21 (d) The regional superintendent of schools shall arrange
22 for a written transcript of the hearing. The expense of the
23 written transcript shall be borne by the petitioners and paid
24 on behalf of the petitioners by the Committee of Ten.

25 (Source: P.A. 94-1019, eff. 7-10-06.)

1 (105 ILCS 5/11E-50)

2 Sec. 11E-50. Approval or denial of the petition;
3 administrative review.

4 (a) Within 14 days after the conclusion of the hearing
5 under Section 11E-45 of this Code, the regional superintendent
6 of schools shall take into consideration the school needs and
7 conditions of the affected districts and in the area adjacent
8 thereto, the division of funds and assets that will result from
9 the action described in the petition, the best interests of the
10 schools of the area, and the best interests and the educational
11 welfare of the pupils residing therein and, through a written
12 order, either approve or deny the petition. If the regional
13 superintendent fails to act upon a petition within 14 days
14 after the conclusion of the hearing, the regional
15 superintendent shall be deemed to have denied the petition.

16 (b) Upon approving or denying the petition, the regional
17 superintendent of schools shall submit the petition and all
18 evidence to the State Superintendent of Education. The State
19 Superintendent shall review the petition, the record of the
20 hearing, and the written order of the regional superintendent,
21 if any. Within 21 days after the receipt of the regional
22 superintendent's decision, the State Superintendent shall take
23 into consideration the school needs and conditions of the
24 affected districts and in the area adjacent thereto, the
25 division of funds and assets that will result from the action
26 described in the petition, the best interests of the schools of

1 the area, and the best interests and the educational welfare of
2 the pupils residing therein and, through a written order,
3 either approve or deny the petition. If the State
4 Superintendent denies the petition, the State Superintendent
5 shall set forth in writing the specific basis for the denial.
6 The decision of the State Superintendent shall be deemed an
7 administrative decision as defined in Section 3-101 of the Code
8 of Civil Procedure. The State Superintendent shall provide a
9 copy of the decision by certified mail, return receipt
10 requested, to the Committee of Ten, any person appearing in
11 support or opposition of the petition at the hearing, each
12 school board of a district in which territory described in the
13 petition is situated, the regional superintendent with whom the
14 petition was filed, and the regional superintendent of schools
15 of any other educational service region in which territory
16 described in the petition is situated.

17 (c) Any resident of any territory described in the petition
18 who appears in support of or opposition to the petition at the
19 hearing or any petitioner or school board of any district in
20 which territory described in the petition is situated may,
21 within 35 days after a copy of the decision sought to be
22 reviewed was served by certified mail, return receipt
23 requested, upon the party affected thereby or upon the attorney
24 of record for the party, apply for a review of an
25 administrative decision of the State Superintendent of
26 Education in accordance with the Administrative Review Law and

1 any rules adopted pursuant to the Administrative Review Law.
2 The commencement of any action for review shall operate as a
3 supersedeas ~~supersedes~~, and no further proceedings shall be had
4 until final disposition of the review. The circuit court of the
5 county in which the petition is filed with the regional
6 superintendent of schools shall have sole jurisdiction to
7 entertain a complaint for the review.

8 (Source: P.A. 94-1019, eff. 7-10-06.)

9 (105 ILCS 5/11E-60)

10 Sec. 11E-60. Ballots.

11 (a) Separate ballots shall be used for the election in each
12 affected district. If the petition requests the submission of a
13 proposition for the issuance of bonds, then that question shall
14 be submitted to the voters at the referendum on a separate
15 ballot.

16 (b) Ballots for all reorganization propositions submitted
17 under the provisions of this Article must be in substantially
18 the following form:

19 (1) Ballot for high school - unit conversion or unit to
20 dual conversion:

21 OFFICIAL BALLOT

22 Shall (here identify the districts to be dissolved by
23 name and number) be dissolved and new school districts be

1 established as follows: a new (here specify elementary,
2 high school, or unit) district formed from all of the
3 territory included within (here identify the existing
4 school district by name and number), with the authority to
5 levy taxes for various purposes as follows: (here specify
6 the maximum tax rates for various purposes the new school
7 district is authorized to levy and, if applicable, the
8 specifications related to the Property Tax Extension
9 Limitation Law, in accordance with Section 11E-80 of this
10 Code), each upon all of the taxable property of the school
11 district at the value thereof, as equalized or assessed by
12 the Department of Revenue, and a new (here repeat the
13 information for each new school district)?

14 The election authority must record the votes "Yes" or
15 "No".

16 (2) Ballot for combined school district formation:

17 OFFICIAL BALLOT

18 Shall a combined (here insert elementary, high, or
19 unit) school district, with the authority to levy taxes at
20 the rate of (here specify the maximum tax rates for various
21 purposes the new unit district is authorized to levy and,
22 if applicable, the specifications related to the Property

1 Tax Extension Limitation Law, in accordance with Section
2 11E-80 of this Code), each upon all of the taxable property
3 of the district at the value thereof, as equalized or
4 assessed by the Department of Revenue, be established?

5 The election authority must record the votes "Yes" or
6 "No".

7 (3) Ballot for unit district formation (other than a
8 partial elementary unit district formation):

9 OFFICIAL BALLOT

10 Shall a unit district, with the authority to levy taxes
11 at the rate of (here specify the maximum tax rates for
12 various purposes the new unit district is authorized to
13 levy and, if applicable, the specifications related to the
14 Property Tax Extension Limitation Law, in accordance with
15 Section 11E-80 of this Code), each upon all of the taxable
16 property of the district at the value thereof, as equalized
17 or assessed by the Department of Revenue, be established?

18 The election authority must record the votes "Yes" or
19 "No".

20 (4) Ballot for a combined high school - unit district

1 formation:

2 OFFICIAL BALLOT

3 Shall a combined high school - unit district formed
4 from all of the territory included within (here identify
5 existing school districts by name and number), serving the
6 territory included within (here identify existing school
7 district by name and number) only for high school purposes,
8 with the authority to levy taxes for various purposes as
9 follows: (here specify the maximum tax rates for various
10 purposes the new combined high school - unit district is
11 authorized to levy and, if applicable, the specifications
12 related to the Property Tax Extension Limitation Law, in
13 accordance with Sections 11E-80 and 11E-90 ~~11E-95~~ of this
14 Code), each upon all of the taxable property of the
15 district at the value thereof, as equalized or assessed by
16 the Department of Revenue, be established?

17 The election authority must record the votes "Yes" or
18 "No".

19 (5) Ballot for an optional elementary unit district
20 formation:

21 OFFICIAL BALLOT

1 Shall an optional elementary unit district, with the
2 authority to levy taxes at the rate of (here specify the
3 maximum tax rates for various purposes the new optional
4 elementary unit district is authorized to levy and, if
5 applicable, the specifications related to the Property Tax
6 Extension Limitation Law, in accordance with Sections
7 11E-80 and 11E-95 of this Code), each upon all of the
8 taxable property of the district at the value thereof, as
9 equalized or assessed by the Department of Revenue, be
10 established?

11 The election authority must record the votes "Yes" or
12 "No".

13 (6) Ballot for multi-unit conversion:

14 OFFICIAL BALLOT

15 Shall (here identify the districts to be dissolved by
16 name and number) be dissolved and new school districts
17 established as follows: a new elementary district formed
18 from all of the territory included within (here identify
19 the existing school district by name and number), with the
20 authority to levy taxes for various purposes as follows:
21 (here specify the maximum tax rates for various purposes

1 the new school district is authorized to levy and, if
2 applicable, the specifications related to the Property Tax
3 Extension Limitation Law, in accordance with Section
4 11E-80 of this Code), each upon all of the taxable property
5 of the school district at the value thereof, as equalized
6 or assessed by the Department of Revenue, (here repeat the
7 information for each new elementary school district), and a
8 new combined high school - unit district formed from all of
9 the territory included within (here identify the existing
10 school district by name and number), with the authority to
11 levy taxes for various purposes as follows: (here specify
12 the maximum tax rates for various purposes the new combined
13 high school - unit district is authorized to levy and, if
14 applicable, the specifications related to the Property Tax
15 Extension Limitation Law, in accordance with Sections
16 11E-80 and 11E-90 of this Code), each upon all of the
17 taxable property of the school district at the value
18 thereof, as equalized or assessed by the Department of
19 Revenue?

20 The election authority must record the votes "Yes" or
21 "No".

22 (7) Ballot for an elementary school district to
23 dissolve and join an optional elementary unit district:

1 OFFICIAL BALLOT

2 Shall (here identify the elementary district by name
3 and number) be dissolved and join (here identify the
4 optional elementary unit district by name and number), with
5 the authority to levy taxes at the rate of (here specify
6 the maximum tax rates for various purposes the optional
7 elementary unit district is authorized to levy and, if
8 applicable, the specifications related to the Property Tax
9 Extension Limitation Law, in accordance with Sections
10 11E-80 and 11E-95 of this Code), each upon all of the
11 taxable property of the district at the value thereof, as
12 equalized or assessed by the Department of Revenue and
13 shall (here identify the elementary district by name and
14 number), prior to dissolution, issue funding bonds
15 pursuant to Sections 19-8 and 19-9 of the School Code to
16 liquidate any operational deficit or debt incurred or
17 accumulated since the date of the election in which the
18 proposition to form (here identify the optional elementary
19 unit district by name and number) passed?

20 The election authority must record the votes "Yes" or
21 "No".

22 (Source: P.A. 94-1019, eff. 7-10-06.)

23 (105 ILCS 5/11E-65)

1 Sec. 11E-65. Passage requirements.

2 (a) Except as otherwise provided in subsections (b) and (c)
3 of this Section, if a majority of the electors voting at the
4 election in each affected district vote in favor of the
5 proposition submitted to them, then the proposition shall be
6 deemed to have passed.

7 (b) In the case of an optional elementary unit district to
8 be created as provided in subsection (c) of Section 11E-30 of
9 this Code, if a majority of the electors voting in the high
10 school district and a majority of the voters voting in at least
11 one affected elementary district vote in favor of the
12 proposition submitted to them, then the proposition shall be
13 deemed to have passed and an optional elementary unit district
14 shall be created for all of the territory included in the
15 petition for high school purposes, and for the territory
16 included in the affected elementary districts voting in favor
17 of the proposition for elementary purposes.

18 (c) In the case of an elementary district electing to join
19 an optional elementary unit district in accordance with
20 subsection (d) of Section 11E-30 of this Code, a majority of
21 the electors voting in that elementary district only must vote
22 in favor of the proposition at a regularly scheduled election.

23 (d) (1) If a majority of the voters in at least 2 unit
24 districts have voted in favor of a proposition to create a new
25 unit district, but the proposition was not approved under the
26 standards set forth in subsection (a) of this Section, then the

1 members of the Committee of Ten shall submit an amended
2 petition for consolidation to the school boards of those
3 districts, as long as the territory involved is compact and
4 contiguous. The petition submitted to the school boards shall
5 be identical in form and substance to the petition previously
6 approved by the regional superintendent of schools, with the
7 sole exception that the territory comprising the proposed
8 district shall be amended to include the compact and contiguous
9 territory of those unit districts in which a majority of the
10 voters voted in favor of the proposal.

11 (2) Each school board to which the petition is submitted
12 shall meet and vote to approve or not approve the amended
13 petition no more than 30 days after it has been filed with the
14 school board. The regional superintendent of schools shall make
15 available to each school board with which a petition has been
16 filed all transcripts and records of the previous petition
17 hearing. The school boards shall, by appropriate resolution,
18 approve or disapprove the amended petition. No school board may
19 approve an amended petition unless it first finds that the
20 territory described in the petition is compact and contiguous.

21 (3) If a majority of the members of each school board to
22 whom a petition is submitted votes in favor of the amended
23 petition, then the approved petition shall be transmitted by
24 the secretary of each school board to the State Superintendent
25 of Education, who shall, within 21 ~~30~~ days after receipt,
26 approve or deny the amended petition based on the criteria

1 stated in subsection (b) of Section 11E-50 of this Code. If
2 approved by the State Superintendent of Education, the petition
3 shall be placed on the ballot at the next regularly scheduled
4 election.

5 (Source: P.A. 94-1019, eff. 7-10-06.)

6 (105 ILCS 5/11E-135)

7 Sec. 11E-135. Incentives. For districts reorganizing under
8 this Article and for a district or districts that annex all of
9 the territory of one or more entire other school districts in
10 accordance with Article 7 of this Code, the following payments
11 shall be made from appropriations made for these purposes:

12 (a) (1) For a combined school district, as defined in
13 Section 11E-20 of this Code, or for a unit district, as defined
14 in Section 11E-25 of this Code, for its first year of
15 existence, the general State aid and supplemental general State
16 aid calculated under Section 18-8.05 of this Code shall be
17 computed for the new district and for the previously existing
18 districts for which property is totally included within the new
19 district. If the computation on the basis of the previously
20 existing districts is greater, a supplementary payment equal to
21 the difference shall be made for the first 4 years of existence
22 of the new district.

23 (2) For a school district that annexes all of the territory
24 of one or more entire other school districts as defined in
25 Article 7 of this Code, for the first year during which the

1 change of boundaries attributable to the annexation becomes
2 effective for all purposes, as determined under Section 7-9 of
3 this Code, the general State aid and supplemental general State
4 aid calculated under Section 18-8.05 of this Code shall be
5 computed for the annexing district as constituted after the
6 annexation and for the annexing and each annexed district as
7 constituted prior to the annexation; and if the computation on
8 the basis of the annexing and annexed districts as constituted
9 prior to the annexation is greater, then a supplementary
10 payment equal to the difference shall be made for the first 4
11 years of existence of the annexing school district as
12 constituted upon the annexation.

13 (3) For 2 or more school districts that annex all of the
14 territory of one or more entire other school districts, as
15 defined in Article 7 of this Code, for the first year during
16 which the change of boundaries attributable to the annexation
17 becomes effective for all purposes, as determined under Section
18 7-9 of this Code, the general State aid and supplemental
19 general State aid calculated under Section 18-8.05 of this Code
20 shall be computed for each annexing district as constituted
21 after the annexation and for each annexing and annexed district
22 as constituted prior to the annexation; and if the aggregate of
23 the general State aid and supplemental general State aid as so
24 computed for the annexing districts as constituted after the
25 annexation is less than the aggregate of the general State aid
26 and supplemental general State aid as so computed for the

1 annexing and annexed districts, as constituted prior to the
2 annexation, then a supplementary payment equal to the
3 difference shall be made and allocated between or among the
4 annexing districts, as constituted upon the annexation, for the
5 first 4 years of their existence. The total difference payment
6 shall be allocated between or among the annexing districts in
7 the same ratio as the pupil enrollment from that portion of the
8 annexed district or districts that is annexed to each annexing
9 district bears to the total pupil enrollment from the entire
10 annexed district or districts, as such pupil enrollment is
11 determined for the school year last ending prior to the date
12 when the change of boundaries attributable to the annexation
13 becomes effective for all purposes. The amount of the total
14 difference payment and the amount thereof to be allocated to
15 the annexing districts shall be computed by the State Board of
16 Education on the basis of pupil enrollment and other data that
17 shall be certified to the State Board of Education, on forms
18 that it shall provide for that purpose, by the regional
19 superintendent of schools for each educational service region
20 in which the annexing and annexed districts are located.

21 (4) For a school district conversion, as defined in Section
22 11E-15 of this Code, or a multi-unit conversion, as defined in
23 subsection (b) of Section 11E-30 of this Code, if in their
24 first year of existence the newly created elementary districts
25 and the newly created high school district, from a school
26 district conversion, or the newly created elementary district

1 or districts and newly created combined high school - unit
2 district, from a multi-unit conversion, qualify for less
3 general State aid under Section 18-8.05 of this Code than would
4 have been payable under Section 18-8.05 for that same year to
5 the previously existing districts, then a supplementary
6 payment equal to that difference shall be made for the first 4
7 years of existence of the newly created districts. The
8 aggregate amount of each supplementary payment shall be
9 allocated among the newly created districts in the proportion
10 that the deemed pupil enrollment in each district during its
11 first year of existence bears to the actual aggregate pupil
12 enrollment in all of the districts during their first year of
13 existence. For purposes of each allocation:

14 (A) the deemed pupil enrollment of the newly created
15 high school district from a school district conversion
16 shall be an amount equal to its actual pupil enrollment for
17 its first year of existence multiplied by 1.25;

18 (B) the deemed pupil enrollment of each newly created
19 elementary district from a school district conversion
20 shall be an amount equal to its actual pupil enrollment for
21 its first year of existence reduced by an amount equal to
22 the product obtained when the amount by which the newly
23 created high school district's deemed pupil enrollment
24 exceeds its actual pupil enrollment for its first year of
25 existence is multiplied by a fraction, the numerator of
26 which is the actual pupil enrollment of the newly created

1 elementary district for its first year of existence and the
2 denominator of which is the actual aggregate pupil
3 enrollment of all of the newly created elementary districts
4 for their first year of existence;

5 (C) the deemed high school pupil enrollment of the
6 newly created combined high school - unit district from a
7 multi-unit conversion shall be an amount equal to its
8 actual grades 9 through 12 pupil enrollment for its first
9 year of existence multiplied by 1.25; and

10 (D) the deemed elementary pupil enrollment of each
11 newly created district from a multi-unit conversion shall
12 be an amount equal to each district's actual grade K
13 through 8 pupil enrollment for its first year of existence,
14 reduced by an amount equal to the product obtained when the
15 amount by which the newly created combined high school -
16 unit district's deemed high school pupil enrollment
17 exceeds its actual grade 9 through 12 pupil enrollment for
18 its first year of existence is multiplied by a fraction,
19 the numerator of which is the actual grade K through 8
20 pupil enrollment of each newly created district for its
21 first year of existence and the denominator of which is the
22 actual aggregate grade K through 8 pupil enrollment of all
23 such newly created districts for their first year of
24 existence.

25 The aggregate amount of each supplementary payment under
26 this subdivision (4) and the amount thereof to be allocated to

1 the newly created districts shall be computed by the State
2 Board of Education on the basis of pupil enrollment and other
3 data, which shall be certified to the State Board of Education,
4 on forms that it shall provide for that purpose, by the
5 regional superintendent of schools for each educational
6 service region in which the newly created districts are
7 located.

8 (5) For a partial elementary unit district, as defined in
9 subsection (a) or (c) of Section 11E-30 of this Code, if, in
10 the first year of existence, the newly created partial
11 elementary unit district qualifies for less general State aid
12 and supplemental general State aid under Section 18-8.05 of
13 this Code than would have been payable under that Section for
14 that same year to the previously existing districts that formed
15 the partial elementary unit district, then a supplementary
16 payment equal to that difference shall be made to the partial
17 elementary unit district for the first 4 years of existence of
18 that newly created district.

19 (6) For an elementary opt-in, as described in subsection
20 (d) of Section 11E-30 of this Code, the general State aid
21 difference shall be computed in accordance with paragraph (5)
22 of this subsection (a) as if the elementary opt-in was included
23 in an optional elementary unit district at the optional
24 elementary unit district's original effective date. If the
25 calculation in this paragraph (6) is less than that calculated
26 in paragraph (5) of this subsection (a) at the optional

1 elementary unit district's original effective date, then no
2 adjustments may be made. If the calculation in this paragraph
3 (6) is more than that calculated in paragraph (5) of this
4 subsection (a) at the optional elementary unit district's
5 original effective date, then the excess must be paid as
6 follows:

7 (A) If the effective date for the elementary opt-in is
8 one year after the effective date for the optional
9 elementary unit district, 100% of the calculated excess
10 shall be paid to the optional elementary unit district in
11 each of the first 4 years after the effective date of the
12 elementary opt-in.

13 (B) If the effective date for the elementary opt-in is
14 2 years after the effective date for the optional
15 elementary unit district, 75% of the calculated excess
16 shall be paid to the optional elementary unit district in
17 each of the first 4 years after the effective date of the
18 elementary opt-in.

19 (C) If the effective date for the elementary opt-in is
20 3 years after the effective date for the optional
21 elementary unit district, 50% of the calculated excess
22 shall be paid to the optional elementary unit district in
23 each of the first 4 years after the effective date of the
24 elementary opt-in.

25 (D) If the effective date for the elementary opt-in is
26 4 years after the effective date for the optional

1 elementary unit district, 25% of the calculated excess
2 shall be paid to the optional elementary unit district in
3 each of the first 4 years after the effective date of the
4 elementary opt-in.

5 (E) If the effective date for the elementary opt-in is
6 5 years after the effective date for the optional
7 elementary unit district, the optional elementary unit
8 district is not eligible for any additional incentives due
9 to the elementary opt-in.

10 (7) Claims for financial assistance under this subsection
11 (a) may not be recomputed except as expressly provided under
12 Section 18-8.05 of this Code.

13 (8) Any supplementary payment made under this subsection
14 (a) must be treated as separate from all other payments made
15 pursuant to Section 18-8.05 of this Code.

16 (b)(1) After the formation of a combined school district,
17 as defined in Section 11E-20 of this Code, or a unit district,
18 as defined in Section 11E-25 of this Code, a computation shall
19 be made to determine the difference between the salaries
20 effective in each of the previously existing districts on June
21 30, prior to the creation of the new district. For the first 4
22 years after the formation of the new district, a supplementary
23 State aid reimbursement shall be paid to the new district equal
24 to the difference between the sum of the salaries earned by
25 each of the certificated members of the new district, while
26 employed in one of the previously existing districts during the

1 year immediately preceding the formation of the new district,
2 and the sum of the salaries those certificated members would
3 have been paid during the year immediately prior to the
4 formation of the new district if placed on the salary schedule
5 of the previously existing district with the highest salary
6 schedule.

7 (2) After the territory of one or more school districts is
8 annexed by one or more other school districts as defined in
9 Article 7 of this Code, a computation shall be made to
10 determine the difference between the salaries effective in each
11 annexed district and in the annexing district or districts as
12 they were each constituted on June 30 preceding the date when
13 the change of boundaries attributable to the annexation became
14 effective for all purposes, as determined under Section 7-9 of
15 this Code. For the first 4 years after the annexation, a
16 supplementary State aid reimbursement shall be paid to each
17 annexing district as constituted after the annexation equal to
18 the difference between the sum of the salaries earned by each
19 of the certificated members of the annexing district as
20 constituted after the annexation, while employed in an annexed
21 or annexing district during the year immediately preceding the
22 annexation, and the sum of the salaries those certificated
23 members would have been paid during the immediately preceding
24 year if placed on the salary schedule of whichever of the
25 annexing or annexed districts had the highest salary schedule
26 during the immediately preceding year.

1 (3) For each new high school district formed under a school
2 district conversion, as defined in Section 11E-15 of this Code,
3 the State shall make a supplementary payment for 4 years equal
4 to the difference between the sum of the salaries earned by
5 each certified member of the new high school district, while
6 employed in one of the previously existing districts, and the
7 sum of the salaries those certified members would have been
8 paid if placed on the salary schedule of the previously
9 existing district with the highest salary schedule.

10 (4) For each newly created partial elementary unit
11 district, the State shall make a supplementary payment for 4
12 years equal to the difference between the sum of the salaries
13 earned by each certified member of the newly created partial
14 elementary unit district, while employed in one of the
15 previously existing districts that formed the partial
16 elementary unit district, and the sum of the salaries those
17 certified members would have been paid if placed on the salary
18 schedule of the previously existing district with the highest
19 salary schedule. The salary schedules used in the calculation
20 shall be those in effect in the previously existing districts
21 for the school year prior to the creation of the new partial
22 elementary unit district.

23 (5) For an elementary district opt-in, as described in
24 subsection (d) of Section 11E-30 of this Code, the salary
25 difference incentive shall be computed in accordance with
26 paragraph (4) of this subsection (b) as if the opted-in

1 elementary district was included in the optional elementary
2 unit district at the optional elementary unit district's
3 original effective date. If the calculation in this paragraph
4 (5) is less than that calculated in paragraph (4) of this
5 subsection (b) at the optional elementary unit district's
6 original effective date, then no adjustments may be made. If
7 the calculation in this paragraph (5) is more than that
8 calculated in paragraph (4) of this subsection (b) at the
9 optional elementary unit district's original effective date,
10 then the excess must be paid as follows:

11 (A) If the effective date for the elementary opt-in is
12 one year after the effective date for the optional
13 elementary unit district, 100% of the calculated excess
14 shall be paid to the optional elementary unit district in
15 each of the first 4 years after the effective date of the
16 elementary opt-in.

17 (B) If the effective date for the elementary opt-in is
18 2 years after the effective date for the optional
19 elementary unit district, 75% of the calculated excess
20 shall be paid to the optional elementary unit district in
21 each of the first 4 years after the effective date of the
22 elementary opt-in.

23 (C) If the effective date for the elementary opt-in is
24 3 years after the effective date for the optional
25 elementary unit district, 50% of the calculated excess
26 shall be paid to the optional elementary unit district in

1 each of the first 4 years after the effective date of the
2 elementary opt-in.

3 (D) If the effective date for the elementary opt-in is
4 4 years after the effective date for the partial elementary
5 unit district, 25% of the calculated excess shall be paid
6 to the optional elementary unit district in each of the
7 first 4 years after the effective date of the elementary
8 opt-in.

9 (E) If the effective date for the elementary opt-in is
10 5 years after the effective date for the optional
11 elementary unit district, the optional elementary unit
12 district is not eligible for any additional incentives due
13 to the elementary opt-in.

14 (5.5) After the formation of a cooperative high school by 2
15 or more school districts under Section 10-22.22c of this Code,
16 a computation shall be made to determine the difference between
17 the salaries effective in each of the previously existing high
18 schools on June 30 prior to the formation of the cooperative
19 high school. For the first 4 years after the formation of the
20 cooperative high school, a supplementary State aid
21 reimbursement shall be paid to the cooperative high school
22 equal to the difference between the sum of the salaries earned
23 by each of the certificated members of the cooperative high
24 school while employed in one of the previously existing high
25 schools during the year immediately preceding the formation of
26 the cooperative high school and the sum of the salaries those

1 certificated members would have been paid during the year
2 immediately prior to the formation of the cooperative high
3 school if placed on the salary schedule of the previously
4 existing high school with the highest salary schedule.

5 (5.10) After the deactivation of a school facility in
6 accordance with Section 10-22.22b of this Code, a computation
7 shall be made to determine the difference between the salaries
8 effective in the sending school district and each receiving
9 school district on June 30 prior to the deactivation of the
10 school facility. For the lesser of the first 4 years after the
11 deactivation of the school facility or the length of the
12 deactivation agreement, including any renewals of the original
13 deactivation agreement, a supplementary State aid
14 reimbursement shall be paid to each receiving district equal to
15 the difference between the sum of the salaries earned by each
16 of the certificated members transferred to that receiving
17 district as a result of the deactivation while employed in the
18 sending district during the year immediately preceding the
19 deactivation and the sum of the salaries those certificated
20 members would have been paid during the year immediately
21 preceding the deactivation if placed on the salary schedule of
22 the sending or receiving district with the highest salary
23 schedule.

24 (6) The supplementary State aid reimbursement under this
25 subsection (b) shall be treated as separate from all other
26 payments made pursuant to Section 18-8.05 of this Code. In the

1 case of the formation of a new district or cooperative high
2 school or a deactivation, reimbursement shall begin during the
3 first year of operation of the new district or cooperative high
4 school or the first year of the deactivation, and in the case
5 of an annexation of the territory of one or more school
6 districts by one or more other school districts, reimbursement
7 shall begin during the first year when the change in boundaries
8 attributable to the annexation ~~or division~~ becomes effective
9 for all purposes as determined pursuant to Section 7-9 of this
10 Code. Each year that the new, annexing, or receiving ~~resulting~~
11 district or cooperative high school, as the case may be, is
12 entitled to receive reimbursement, the number of eligible
13 certified members who are employed on October 1 in the district
14 or cooperative high school shall be certified to the State
15 Board of Education on prescribed forms by October 15 and
16 payment shall be made on or before November 15 of that year.

17 (c) (1) For the first year after the formation of a combined
18 school district, as defined in Section 11E-20 of this Code or a
19 unit district, as defined in Section 11E-25 of this Code, a
20 computation shall be made totaling each previously existing
21 district's audited fund balances in the educational fund,
22 working cash fund, operations and maintenance fund, and
23 transportation fund for the year ending June 30 prior to the
24 referendum for the creation of the new district. The new
25 district shall be paid supplementary State aid equal to the sum
26 of the differences between the deficit of the previously

1 existing district with the smallest deficit and the deficits of
2 each of the other previously existing districts.

3 (2) For the first year after the annexation of all of the
4 territory of one or more entire school districts by another
5 school district, as defined in Article 7 of this Code,
6 computations shall be made, for the year ending June 30 prior
7 to the date that the change of boundaries attributable to the
8 annexation is allowed by the affirmative decision issued by the
9 regional board of school trustees under Section 7-6 of this
10 Code, notwithstanding any effort to seek administrative review
11 of the decision, totaling the annexing district's and totaling
12 each annexed district's audited fund balances in their
13 respective educational, working cash, operations and
14 maintenance, and transportation funds. The annexing district
15 as constituted after the annexation shall be paid supplementary
16 State aid equal to the sum of the differences between the
17 deficit of whichever of the annexing or annexed districts as
18 constituted prior to the annexation had the smallest deficit
19 and the deficits of each of the other districts as constituted
20 prior to the annexation.

21 (3) For the first year after the annexation of all of the
22 territory of one or more entire school districts by 2 or more
23 other school districts, as defined by Article 7 of this Code,
24 computations shall be made, for the year ending June 30 prior
25 to the date that the change of boundaries attributable to the
26 annexation is allowed by the affirmative decision of the

1 regional board of school trustees under Section 7-6 of this
2 Code, notwithstanding any action for administrative review of
3 the decision, totaling each annexing and annexed district's
4 audited fund balances in their respective educational, working
5 cash, operations and maintenance, and transportation funds.
6 The annexing districts as constituted after the annexation
7 shall be paid supplementary State aid, allocated as provided in
8 this paragraph (3), in an aggregate amount equal to the sum of
9 the differences between the deficit of whichever of the
10 annexing or annexed districts as constituted prior to the
11 annexation had the smallest deficit and the deficits of each of
12 the other districts as constituted prior to the annexation. The
13 aggregate amount of the supplementary State aid payable under
14 this paragraph (3) shall be allocated between or among the
15 annexing districts as follows:

16 (A) the regional superintendent of schools for each
17 educational service region in which an annexed district is
18 located prior to the annexation shall certify to the State
19 Board of Education, on forms that it shall provide for that
20 purpose, the value of all taxable property in each annexed
21 district, as last equalized or assessed by the Department
22 of Revenue prior to the annexation, and the equalized
23 assessed value of each part of the annexed district that
24 was annexed to or included as a part of an annexing
25 district;

26 (B) using equalized assessed values as certified by the

1 regional superintendent of schools under clause (A) of this
2 paragraph (3), the combined audited fund balance deficit of
3 each annexed district as determined under this Section
4 shall be apportioned between or among the annexing
5 districts in the same ratio as the equalized assessed value
6 of that part of the annexed district that was annexed to or
7 included as a part of an annexing district bears to the
8 total equalized assessed value of the annexed district; and

9 (C) the aggregate supplementary State aid payment
10 under this paragraph (3) shall be allocated between or
11 among, and shall be paid to, the annexing districts in the
12 same ratio as the sum of the combined audited fund balance
13 deficit of each annexing district as constituted prior to
14 the annexation, plus all combined audited fund balance
15 deficit amounts apportioned to that annexing district
16 under clause (B) of this subsection, bears to the aggregate
17 of the combined audited fund balance deficits of all of the
18 annexing and annexed districts as constituted prior to the
19 annexation.

20 (4) For the new elementary districts and new high school
21 district formed through a school district conversion, as
22 defined in ~~subsection (b) of~~ Section 11E-15 of this Code or the
23 new elementary district or districts and new combined high
24 school - unit district formed through a multi-unit conversion,
25 as defined in subsection (b) of Section 11E-30 of this Code, a
26 computation shall be made totaling each previously existing

1 district's audited fund balances in the educational fund,
2 working cash fund, operations and maintenance fund, and
3 transportation fund for the year ending June 30 prior to the
4 referendum establishing the new districts. In the first year of
5 the new districts, the State shall make a one-time
6 supplementary payment equal to the sum of the differences
7 between the deficit of the previously existing district with
8 the smallest deficit and the deficits of each of the other
9 previously existing districts. A district with a combined
10 balance among the 4 funds that is positive shall be considered
11 to have a deficit of zero. The supplementary payment shall be
12 allocated among the newly formed high school and elementary
13 districts in the manner provided by the petition for the
14 formation of the districts, in the form in which the petition
15 is approved by the regional superintendent of schools or State
16 Superintendent of Education under Section 11E-50 of this Code.

17 (5) For each newly created partial elementary unit
18 district, as defined in subsection (a) or (c) of Section 11E-30
19 of this Code, a computation shall be made totaling the audited
20 fund balances of each previously existing district that formed
21 the new partial elementary unit district in the educational
22 fund, working cash fund, operations and maintenance fund, and
23 transportation fund for the year ending June 30 prior to the
24 referendum for the formation of the partial elementary unit
25 district. In the first year of the new partial elementary unit
26 district, the State shall make a one-time supplementary payment

1 to the new district equal to the sum of the differences between
2 the deficit of the previously existing district with the
3 smallest deficit and the deficits of each of the other
4 previously existing districts. A district with a combined
5 balance among the 4 funds that is positive shall be considered
6 to have a deficit of zero.

7 (6) For an elementary opt-in as defined in subsection (d)
8 of Section 11E-30 of this Code, the deficit fund balance
9 incentive shall be computed in accordance with paragraph (5) of
10 this subsection (c) as if the opted-in elementary was included
11 in the optional elementary unit district at the optional
12 elementary unit district's original effective date. If the
13 calculation in this paragraph (6) is less than that calculated
14 in paragraph (5) of this subsection (c) at the optional
15 elementary unit district's original effective date, then no
16 adjustments may be made. If the calculation in this paragraph
17 (6) is more than that calculated in paragraph (5) of this
18 subsection (c) at the optional elementary unit district's
19 original effective date, then the excess must be paid as
20 follows:

21 (A) If the effective date for the elementary opt-in is
22 one year after the effective date for the optional
23 elementary unit district, 100% of the calculated excess
24 shall be paid to the optional elementary unit district in
25 the first year after the effective date of the elementary
26 opt-in.

1 (B) If the effective date for the elementary opt-in is
2 2 years after the effective date for the optional
3 elementary unit district, 75% of the calculated excess
4 shall be paid to the optional elementary unit district in
5 the first year after the effective date of the elementary
6 opt-in.

7 (C) If the effective date for the elementary opt-in is
8 3 years after the effective date for the optional
9 elementary unit district, 50% of the calculated excess
10 shall be paid to the optional elementary unit district in
11 the first year after the effective date of the elementary
12 opt-in.

13 (D) If the effective date for the elementary opt-in is
14 4 years after the effective date for the optional
15 elementary unit district, 25% of the calculated excess
16 shall be paid to the optional elementary unit district in
17 the first year after the effective date of the elementary
18 opt-in.

19 (E) If the effective date for the elementary opt-in is
20 5 years after the effective date for the optional
21 elementary unit district, the optional elementary unit
22 district is not eligible for any additional incentives due
23 to the elementary opt-in.

24 (7) For purposes of any calculation required under
25 paragraph (1), (2), (3), (4), (5), or (6) of this subsection
26 (c), a district with a combined fund balance that is positive

1 shall be considered to have a deficit of zero. For purposes of
2 determining each district's audited fund balances in its
3 educational fund, working cash fund, operations and
4 maintenance fund, and transportation fund for the specified
5 year ending June 30, as provided in paragraphs (1), (2), (3),
6 (4), (5), and (6) of this subsection (c), the balance of each
7 fund shall be deemed decreased by an amount equal to the amount
8 of the annual property tax theretofore levied in the fund by
9 the district for collection and payment to the district during
10 the calendar year in which the June 30 fell, but only to the
11 extent that the tax so levied in the fund actually was received
12 by the district on or before or comprised a part of the fund on
13 such June 30. For purposes of determining each district's
14 audited fund balances, a calculation shall be made for each
15 fund to determine the average for the 3 years prior to the
16 specified year ending June 30, as provided in paragraphs (1),
17 (2), (3), (4), (5), and (6) of this subsection (c), of the
18 district's expenditures in the categories "purchased
19 services", "supplies and materials", and "capital outlay", as
20 those categories are defined in rules of the State Board of
21 Education. If this 3-year average is less than the district's
22 expenditures in these categories for the specified year ending
23 June 30, as provided in paragraphs (1), (2), (3), (4), (5), and
24 (6) of this subsection (c), then the 3-year average shall be
25 used in calculating the amounts payable under this Section in
26 place of the amounts shown in these categories for the

1 specified year ending June 30, as provided in paragraphs (1),
2 (2), (3), (4), (5), and (6) of this subsection (c). Any deficit
3 because of State aid not yet received may not be considered in
4 determining the June 30 deficits. The same basis of accounting
5 shall be used by all previously existing districts and by all
6 annexing or annexed districts, as constituted prior to the
7 annexation, in making any computation required under
8 paragraphs (1), (2), (3), (4), (5), and (6) of this subsection
9 (c).

10 (8) The supplementary State aid payments under this
11 subsection (c) shall be treated as separate from all other
12 payments made pursuant to Section 18-8.05 of this Code.

13 (d)(1) Following the formation of a combined school
14 district, as defined in Section 11E-20 of this Code, a new unit
15 district, as defined in Section 11E-25 of this Code, a new
16 elementary district or districts and a new high school district
17 formed through a school district conversion, as defined in
18 ~~subsection (b) of~~ Section 11E-15 of this Code, a new partial
19 elementary unit district, as defined in Section 11E-30 of this
20 Code, or a new elementary district or districts formed through
21 a multi-unit conversion, as defined in subsection (b) of
22 Section 11E-30 of this Code, or the annexation of all of the
23 territory of one or more entire school districts by one or more
24 other school districts, as defined in Article 7 of this Code, a
25 supplementary State aid reimbursement shall be paid for the
26 number of school years determined under the following table to

1 each new or annexing district equal to the sum of \$4,000 for
 2 each certified employee who is employed by the district on a
 3 full-time basis for the regular term of the school year:

4	Reorganized District's Rank	Reorganized District's Rank		
5	by type of district (unit,	in Average Daily Attendance		
6	high school, elementary)	By Quintile		
7	in Equalized Assessed Value			
8	Per Pupil by Quintile			
9				3rd, 4th,
10		1st	2nd	or 5th
11		Quintile	Quintile	Quintile
12	1st Quintile	1 year	1 year	1 year
13	2nd Quintile	1 year	2 years	2 years
14	3rd Quintile	2 years	3 years	3 years
15	4th Quintile	2 years	3 years	3 years
16	5th Quintile	2 years	3 years	3 years

17 The State Board of Education shall make a one-time calculation
 18 of a reorganized district's quintile ranks. The average daily
 19 attendance used in this calculation shall be the best 3 months'
 20 average daily attendance for the district's first year. The
 21 equalized assessed value per pupil shall be the district's real
 22 property equalized assessed value used in calculating the
 23 district's first-year general State aid claim, under Section
 24 18-8.05 of this Code, divided by the best 3 months' average

1 daily attendance.

2 No annexing or resulting school district shall be entitled
3 to supplementary State aid under this subsection (d) unless the
4 district acquires at least 30% of the average daily attendance
5 of the district from which the territory is being detached or
6 divided.

7 If a district results from multiple reorganizations that
8 would otherwise qualify the district for multiple payments
9 under this subsection (d) in any year, then the district shall
10 receive a single payment only for that year based solely on the
11 most recent reorganization.

12 (2) For an elementary opt-in, as defined in subsection (d)
13 of Section 11E-30 of this Code, the full-time certified staff
14 incentive shall be computed in accordance with paragraph (1) of
15 this subsection (d), equal to the sum of \$4,000 for each
16 certified employee of the elementary district that opts-in who
17 is employed by the optional elementary unit district on a
18 full-time basis for the regular term of the school year. The
19 calculation from this paragraph (2) must be paid as follows:

20 (A) If the effective date for the elementary opt-in is
21 one year after the effective date for the optional
22 elementary unit district, 100% of the amount calculated in
23 this paragraph (2) shall be paid to the optional elementary
24 unit district for the number of years calculated in
25 paragraph (1) of this subsection (d) at the optional
26 elementary unit district's original effective date,

1 starting in the second year after the effective date of the
2 elementary opt-in.

3 (B) If the effective date for the elementary opt-in is
4 2 years after the effective date for the optional
5 elementary unit district, 75% of the amount calculated in
6 this paragraph (2) shall be paid to the optional elementary
7 unit district for the number of years calculated in
8 paragraph (1) of this subsection (d) at the optional
9 elementary unit district's original effective date,
10 starting in the second year after the effective date of the
11 elementary opt-in.

12 (C) If the effective date for the elementary opt-in is
13 3 years after the effective date for the optional
14 elementary unit district, 50% of the amount calculated in
15 this paragraph (2) shall be paid to the optional elementary
16 unit district for the number of years calculated in
17 paragraph (1) of this subsection (d) at the optional
18 elementary unit district's original effective date,
19 starting in the second year after the effective date of the
20 elementary opt-in.

21 (D) If the effective date for the elementary opt-in is
22 4 years after the effective date for the optional
23 elementary unit district, 25% of the amount calculated in
24 this paragraph (2) shall be paid to the optional elementary
25 unit district for the number of years calculated in
26 paragraph (1) of this subsection (d) at the optional

1 elementary unit district's original effective date,
2 starting in the second year after the effective date of the
3 elementary opt-in.

4 (E) If the effective date for the elementary opt-in is
5 5 years after the effective date for the optional
6 elementary unit district, the optional elementary unit
7 district is not eligible for any additional incentives due
8 to the elementary opt-in.

9 (2.5) Following the formation of a cooperative high school
10 by 2 or more school districts under Section 10-22.22c of this
11 Code, a supplementary State aid reimbursement shall be paid for
12 3 school years to the cooperative high school equal to the sum
13 of \$4,000 for each certified employee who is employed by the
14 cooperative high school on a full-time basis for the regular
15 term of any such school year. If a cooperative high school
16 results from multiple agreements that would otherwise qualify
17 the cooperative high school for multiple payments under this
18 Section in any year, the cooperative high school shall receive
19 a single payment for that year based solely on the most recent
20 agreement.

21 (2.10) Following the deactivation of a school facility in
22 accordance with Section 10-22.22b of this Code, a supplementary
23 State aid reimbursement shall be paid for the lesser of 3
24 school years or the length of the deactivation agreement,
25 including any renewals of the original deactivation agreement,
26 to each receiving school district equal to the sum of \$4,000

1 for each certified employee who is employed by that receiving
2 district on a full-time basis for the regular term of any such
3 school year who was originally transferred to the control of
4 that receiving district as a result of the deactivation.
5 Receiving districts are eligible for payments under this
6 paragraph (2.10) based on the certified employees transferred
7 to that receiving district as a result of the deactivation and
8 are not required to receive at least 30% of the deactivating
9 district's average daily attendance as required under
10 paragraph (1) of this subsection (d) to be eligible for
11 payments.

12 (3) The supplementary State aid reimbursement payable
13 under this subsection (d) shall be separate from and in
14 addition to all other payments made to the district pursuant to
15 any other Section of this Article.

16 (4) During May of each school year for which a
17 supplementary State aid reimbursement is to be paid to a new,
18 ~~or~~ annexing, or receiving school district or cooperative high
19 school pursuant to this subsection (d), the school board or
20 governing board shall certify to the State Board of Education,
21 on forms furnished to the school board or governing board by
22 the State Board of Education for purposes of this subsection
23 (d), the number of certified employees for which the district
24 or cooperative high school is entitled to reimbursement under
25 this Section, together with the names, certificate numbers, and
26 positions held by the certified employees.

1 (5) Upon certification by the State Board of Education to
2 the State Comptroller of the amount of the supplementary State
3 aid reimbursement to which a school district or cooperative
4 high school is entitled under this subsection (d), the State
5 Comptroller shall draw his or her warrant upon the State
6 Treasurer for the payment thereof to the school district or
7 cooperative high school and shall promptly transmit the payment
8 to the school district or cooperative high school through the
9 appropriate school treasurer.

10 (Source: P.A. 94-1019, eff. 7-10-06; incorporates P.A. 94-902,
11 eff. 7-1-06; 95-331, eff. 8-21-07.)

12 (105 ILCS 5/18-8.05)

13 Sec. 18-8.05. Basis for apportionment of general State
14 financial aid and supplemental general State aid to the common
15 schools for the 1998-1999 and subsequent school years.

16 (A) General Provisions.

17 (1) The provisions of this Section apply to the 1998-1999
18 and subsequent school years. The system of general State
19 financial aid provided for in this Section is designed to
20 assure that, through a combination of State financial aid and
21 required local resources, the financial support provided each
22 pupil in Average Daily Attendance equals or exceeds a
23 prescribed per pupil Foundation Level. This formula approach
24 imputes a level of per pupil Available Local Resources and

1 provides for the basis to calculate a per pupil level of
2 general State financial aid that, when added to Available Local
3 Resources, equals or exceeds the Foundation Level. The amount
4 of per pupil general State financial aid for school districts,
5 in general, varies in inverse relation to Available Local
6 Resources. Per pupil amounts are based upon each school
7 district's Average Daily Attendance as that term is defined in
8 this Section.

9 (2) In addition to general State financial aid, school
10 districts with specified levels or concentrations of pupils
11 from low income households are eligible to receive supplemental
12 general State financial aid grants as provided pursuant to
13 subsection (H). The supplemental State aid grants provided for
14 school districts under subsection (H) shall be appropriated for
15 distribution to school districts as part of the same line item
16 in which the general State financial aid of school districts is
17 appropriated under this Section.

18 (3) To receive financial assistance under this Section,
19 school districts are required to file claims with the State
20 Board of Education, subject to the following requirements:

21 (a) Any school district which fails for any given
22 school year to maintain school as required by law, or to
23 maintain a recognized school is not eligible to file for
24 such school year any claim upon the Common School Fund. In
25 case of nonrecognition of one or more attendance centers in
26 a school district otherwise operating recognized schools,

1 the claim of the district shall be reduced in the
2 proportion which the Average Daily Attendance in the
3 attendance center or centers bear to the Average Daily
4 Attendance in the school district. A "recognized school"
5 means any public school which meets the standards as
6 established for recognition by the State Board of
7 Education. A school district or attendance center not
8 having recognition status at the end of a school term is
9 entitled to receive State aid payments due upon a legal
10 claim which was filed while it was recognized.

11 (b) School district claims filed under this Section are
12 subject to Sections 18-9 and 18-12, except as otherwise
13 provided in this Section.

14 (c) If a school district operates a full year school
15 under Section 10-19.1, the general State aid to the school
16 district shall be determined by the State Board of
17 Education in accordance with this Section as near as may be
18 applicable.

19 (d) (Blank).

20 (4) Except as provided in subsections (H) and (L), the
21 board of any district receiving any of the grants provided for
22 in this Section may apply those funds to any fund so received
23 for which that board is authorized to make expenditures by law.

24 School districts are not required to exert a minimum
25 Operating Tax Rate in order to qualify for assistance under
26 this Section.

1 (5) As used in this Section the following terms, when
2 capitalized, shall have the meaning ascribed herein:

3 (a) "Average Daily Attendance": A count of pupil
4 attendance in school, averaged as provided for in
5 subsection (C) and utilized in deriving per pupil financial
6 support levels.

7 (b) "Available Local Resources": A computation of
8 local financial support, calculated on the basis of Average
9 Daily Attendance and derived as provided pursuant to
10 subsection (D).

11 (c) "Corporate Personal Property Replacement Taxes":
12 Funds paid to local school districts pursuant to "An Act in
13 relation to the abolition of ad valorem personal property
14 tax and the replacement of revenues lost thereby, and
15 amending and repealing certain Acts and parts of Acts in
16 connection therewith", certified August 14, 1979, as
17 amended (Public Act 81-1st S.S.-1).

18 (d) "Foundation Level": A prescribed level of per pupil
19 financial support as provided for in subsection (B).

20 (e) "Operating Tax Rate": All school district property
21 taxes extended for all purposes, except Bond and Interest,
22 Summer School, Rent, Capital Improvement, and Vocational
23 Education Building purposes.

24 (B) Foundation Level.

25 (1) The Foundation Level is a figure established by the

1 State representing the minimum level of per pupil financial
2 support that should be available to provide for the basic
3 education of each pupil in Average Daily Attendance. As set
4 forth in this Section, each school district is assumed to exert
5 a sufficient local taxing effort such that, in combination with
6 the aggregate of general State financial aid provided the
7 district, an aggregate of State and local resources are
8 available to meet the basic education needs of pupils in the
9 district.

10 (2) For the 1998-1999 school year, the Foundation Level of
11 support is \$4,225. For the 1999-2000 school year, the
12 Foundation Level of support is \$4,325. For the 2000-2001 school
13 year, the Foundation Level of support is \$4,425. For the
14 2001-2002 school year and 2002-2003 school year, the Foundation
15 Level of support is \$4,560. For the 2003-2004 school year, the
16 Foundation Level of support is \$4,810. For the 2004-2005 school
17 year, the Foundation Level of support is \$4,964. For the
18 2005-2006 school year, the Foundation Level of support is
19 \$5,164.

20 (3) For the 2006-2007 school year and each school year
21 thereafter, the Foundation Level of support is \$5,334 or such
22 greater amount as may be established by law by the General
23 Assembly.

24 (C) Average Daily Attendance.

25 (1) For purposes of calculating general State aid pursuant

1 to subsection (E), an Average Daily Attendance figure shall be
2 utilized. The Average Daily Attendance figure for formula
3 calculation purposes shall be the monthly average of the actual
4 number of pupils in attendance of each school district, as
5 further averaged for the best 3 months of pupil attendance for
6 each school district. In compiling the figures for the number
7 of pupils in attendance, school districts and the State Board
8 of Education shall, for purposes of general State aid funding,
9 conform attendance figures to the requirements of subsection
10 (F).

11 (2) The Average Daily Attendance figures utilized in
12 subsection (E) shall be the requisite attendance data for the
13 school year immediately preceding the school year for which
14 general State aid is being calculated or the average of the
15 attendance data for the 3 preceding school years, whichever is
16 greater. The Average Daily Attendance figures utilized in
17 subsection (H) shall be the requisite attendance data for the
18 school year immediately preceding the school year for which
19 general State aid is being calculated.

20 (D) Available Local Resources.

21 (1) For purposes of calculating general State aid pursuant
22 to subsection (E), a representation of Available Local
23 Resources per pupil, as that term is defined and determined in
24 this subsection, shall be utilized. Available Local Resources
25 per pupil shall include a calculated dollar amount representing

1 local school district revenues from local property taxes and
2 from Corporate Personal Property Replacement Taxes, expressed
3 on the basis of pupils in Average Daily Attendance. Calculation
4 of Available Local Resources shall exclude any tax amnesty
5 funds received as a result of Public Act 93-26.

6 (2) In determining a school district's revenue from local
7 property taxes, the State Board of Education shall utilize the
8 equalized assessed valuation of all taxable property of each
9 school district as of September 30 of the previous year. The
10 equalized assessed valuation utilized shall be obtained and
11 determined as provided in subsection (G).

12 (3) For school districts maintaining grades kindergarten
13 through 12, local property tax revenues per pupil shall be
14 calculated as the product of the applicable equalized assessed
15 valuation for the district multiplied by 3.00%, and divided by
16 the district's Average Daily Attendance figure. For school
17 districts maintaining grades kindergarten through 8, local
18 property tax revenues per pupil shall be calculated as the
19 product of the applicable equalized assessed valuation for the
20 district multiplied by 2.30%, and divided by the district's
21 Average Daily Attendance figure. For school districts
22 maintaining grades 9 through 12, local property tax revenues
23 per pupil shall be the applicable equalized assessed valuation
24 of the district multiplied by 1.05%, and divided by the
25 district's Average Daily Attendance figure.

26 For partial elementary unit districts created pursuant to

1 Article 11E of this Code, local property tax revenues per pupil
2 shall be calculated as the product of the equalized assessed
3 valuation for property within ~~the elementary and high school~~
4 ~~classification of~~ the partial elementary unit district for
5 elementary purposes, as defined in Article 11E of this Code,
6 multiplied by 2.06% and divided by the district's Average Daily
7 Attendance figure ~~for grades kindergarten through 8,~~ plus the
8 product of the equalized assessed valuation for property within
9 ~~the high school only classification of~~ the partial elementary
10 unit district for high school purposes, as defined in Article
11 11E of this Code, multiplied by 0.94% and divided by the
12 district's Average Daily Attendance figure ~~for grades 9 through~~
13 ~~12.~~

14 (4) The Corporate Personal Property Replacement Taxes paid
15 to each school district during the calendar year 2 years before
16 the calendar year in which a school year begins, divided by the
17 Average Daily Attendance figure for that district, shall be
18 added to the local property tax revenues per pupil as derived
19 by the application of the immediately preceding paragraph (3).
20 The sum of these per pupil figures for each school district
21 shall constitute Available Local Resources as that term is
22 utilized in subsection (E) in the calculation of general State
23 aid.

24 (E) Computation of General State Aid.

25 (1) For each school year, the amount of general State aid

1 allotted to a school district shall be computed by the State
2 Board of Education as provided in this subsection.

3 (2) For any school district for which Available Local
4 Resources per pupil is less than the product of 0.93 times the
5 Foundation Level, general State aid for that district shall be
6 calculated as an amount equal to the Foundation Level minus
7 Available Local Resources, multiplied by the Average Daily
8 Attendance of the school district.

9 (3) For any school district for which Available Local
10 Resources per pupil is equal to or greater than the product of
11 0.93 times the Foundation Level and less than the product of
12 1.75 times the Foundation Level, the general State aid per
13 pupil shall be a decimal proportion of the Foundation Level
14 derived using a linear algorithm. Under this linear algorithm,
15 the calculated general State aid per pupil shall decline in
16 direct linear fashion from 0.07 times the Foundation Level for
17 a school district with Available Local Resources equal to the
18 product of 0.93 times the Foundation Level, to 0.05 times the
19 Foundation Level for a school district with Available Local
20 Resources equal to the product of 1.75 times the Foundation
21 Level. The allocation of general State aid for school districts
22 subject to this paragraph 3 shall be the calculated general
23 State aid per pupil figure multiplied by the Average Daily
24 Attendance of the school district.

25 (4) For any school district for which Available Local
26 Resources per pupil equals or exceeds the product of 1.75 times

1 the Foundation Level, the general State aid for the school
2 district shall be calculated as the product of \$218 multiplied
3 by the Average Daily Attendance of the school district.

4 (5) The amount of general State aid allocated to a school
5 district for the 1999-2000 school year meeting the requirements
6 set forth in paragraph (4) of subsection (G) shall be increased
7 by an amount equal to the general State aid that would have
8 been received by the district for the 1998-1999 school year by
9 utilizing the Extension Limitation Equalized Assessed
10 Valuation as calculated in paragraph (4) of subsection (G) less
11 the general State aid allotted for the 1998-1999 school year.
12 This amount shall be deemed a one time increase, and shall not
13 affect any future general State aid allocations.

14 (F) Compilation of Average Daily Attendance.

15 (1) Each school district shall, by July 1 of each year,
16 submit to the State Board of Education, on forms prescribed by
17 the State Board of Education, attendance figures for the school
18 year that began in the preceding calendar year. The attendance
19 information so transmitted shall identify the average daily
20 attendance figures for each month of the school year. Beginning
21 with the general State aid claim form for the 2002-2003 school
22 year, districts shall calculate Average Daily Attendance as
23 provided in subdivisions (a), (b), and (c) of this paragraph
24 (1).

25 (a) In districts that do not hold year-round classes,

1 days of attendance in August shall be added to the month of
2 September and any days of attendance in June shall be added
3 to the month of May.

4 (b) In districts in which all buildings hold year-round
5 classes, days of attendance in July and August shall be
6 added to the month of September and any days of attendance
7 in June shall be added to the month of May.

8 (c) In districts in which some buildings, but not all,
9 hold year-round classes, for the non-year-round buildings,
10 days of attendance in August shall be added to the month of
11 September and any days of attendance in June shall be added
12 to the month of May. The average daily attendance for the
13 year-round buildings shall be computed as provided in
14 subdivision (b) of this paragraph (1). To calculate the
15 Average Daily Attendance for the district, the average
16 daily attendance for the year-round buildings shall be
17 multiplied by the days in session for the non-year-round
18 buildings for each month and added to the monthly
19 attendance of the non-year-round buildings.

20 Except as otherwise provided in this Section, days of
21 attendance by pupils shall be counted only for sessions of not
22 less than 5 clock hours of school work per day under direct
23 supervision of: (i) teachers, or (ii) non-teaching personnel or
24 volunteer personnel when engaging in non-teaching duties and
25 supervising in those instances specified in subsection (a) of
26 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils

1 of legal school age and in kindergarten and grades 1 through
2 12.

3 Days of attendance by tuition pupils shall be accredited
4 only to the districts that pay the tuition to a recognized
5 school.

6 (2) Days of attendance by pupils of less than 5 clock hours
7 of school shall be subject to the following provisions in the
8 compilation of Average Daily Attendance.

9 (a) Pupils regularly enrolled in a public school for
10 only a part of the school day may be counted on the basis
11 of 1/6 day for every class hour of instruction of 40
12 minutes or more attended pursuant to such enrollment,
13 unless a pupil is enrolled in a block-schedule format of 80
14 minutes or more of instruction, in which case the pupil may
15 be counted on the basis of the proportion of minutes of
16 school work completed each day to the minimum number of
17 minutes that school work is required to be held that day.

18 (b) Days of attendance may be less than 5 clock hours
19 on the opening and closing of the school term, and upon the
20 first day of pupil attendance, if preceded by a day or days
21 utilized as an institute or teachers' workshop.

22 (c) A session of 4 or more clock hours may be counted
23 as a day of attendance upon certification by the regional
24 superintendent, and approved by the State Superintendent
25 of Education to the extent that the district has been
26 forced to use daily multiple sessions.

1 (d) A session of 3 or more clock hours may be counted
2 as a day of attendance (1) when the remainder of the school
3 day or at least 2 hours in the evening of that day is
4 utilized for an in-service training program for teachers,
5 up to a maximum of 5 days per school year of which a
6 maximum of 4 days of such 5 days may be used for
7 parent-teacher conferences, provided a district conducts
8 an in-service training program for teachers which has been
9 approved by the State Superintendent of Education; or, in
10 lieu of 4 such days, 2 full days may be used, in which
11 event each such day may be counted as a day of attendance;
12 and (2) when days in addition to those provided in item (1)
13 are scheduled by a school pursuant to its school
14 improvement plan adopted under Article 34 or its revised or
15 amended school improvement plan adopted under Article 2,
16 provided that (i) such sessions of 3 or more clock hours
17 are scheduled to occur at regular intervals, (ii) the
18 remainder of the school days in which such sessions occur
19 are utilized for in-service training programs or other
20 staff development activities for teachers, and (iii) a
21 sufficient number of minutes of school work under the
22 direct supervision of teachers are added to the school days
23 between such regularly scheduled sessions to accumulate
24 not less than the number of minutes by which such sessions
25 of 3 or more clock hours fall short of 5 clock hours. Any
26 full days used for the purposes of this paragraph shall not

1 be considered for computing average daily attendance. Days
2 scheduled for in-service training programs, staff
3 development activities, or parent-teacher conferences may
4 be scheduled separately for different grade levels and
5 different attendance centers of the district.

6 (e) A session of not less than one clock hour of
7 teaching hospitalized or homebound pupils on-site or by
8 telephone to the classroom may be counted as 1/2 day of
9 attendance, however these pupils must receive 4 or more
10 clock hours of instruction to be counted for a full day of
11 attendance.

12 (f) A session of at least 4 clock hours may be counted
13 as a day of attendance for first grade pupils, and pupils
14 in full day kindergartens, and a session of 2 or more hours
15 may be counted as 1/2 day of attendance by pupils in
16 kindergartens which provide only 1/2 day of attendance.

17 (g) For children with disabilities who are below the
18 age of 6 years and who cannot attend 2 or more clock hours
19 because of their disability or immaturity, a session of not
20 less than one clock hour may be counted as 1/2 day of
21 attendance; however for such children whose educational
22 needs so require a session of 4 or more clock hours may be
23 counted as a full day of attendance.

24 (h) A recognized kindergarten which provides for only
25 1/2 day of attendance by each pupil shall not have more
26 than 1/2 day of attendance counted in any one day. However,

1 kindergartens may count 2 1/2 days of attendance in any 5
2 consecutive school days. When a pupil attends such a
3 kindergarten for 2 half days on any one school day, the
4 pupil shall have the following day as a day absent from
5 school, unless the school district obtains permission in
6 writing from the State Superintendent of Education.
7 Attendance at kindergartens which provide for a full day of
8 attendance by each pupil shall be counted the same as
9 attendance by first grade pupils. Only the first year of
10 attendance in one kindergarten shall be counted, except in
11 case of children who entered the kindergarten in their
12 fifth year whose educational development requires a second
13 year of kindergarten as determined under the rules and
14 regulations of the State Board of Education.

15 (i) On the days when the Prairie State Achievement
16 Examination is administered under subsection (c) of
17 Section 2-3.64 of this Code, the day of attendance for a
18 pupil whose school day must be shortened to accommodate
19 required testing procedures may be less than 5 clock hours
20 and shall be counted towards the 176 days of actual pupil
21 attendance required under Section 10-19 of this Code,
22 provided that a sufficient number of minutes of school work
23 in excess of 5 clock hours are first completed on other
24 school days to compensate for the loss of school work on
25 the examination days.

1 (G) Equalized Assessed Valuation Data.

2 (1) For purposes of the calculation of Available Local
3 Resources required pursuant to subsection (D), the State Board
4 of Education shall secure from the Department of Revenue the
5 value as equalized or assessed by the Department of Revenue of
6 all taxable property of every school district, together with
7 (i) the applicable tax rate used in extending taxes for the
8 funds of the district as of September 30 of the previous year
9 and (ii) the limiting rate for all school districts subject to
10 property tax extension limitations as imposed under the
11 Property Tax Extension Limitation Law.

12 The Department of Revenue shall add to the equalized
13 assessed value of all taxable property of each school district
14 situated entirely or partially within a county that is or was
15 subject to the provisions of Section 15-176 or 15-177 of the
16 Property Tax Code (a) an amount equal to the total amount by
17 which the homestead exemption allowed under Section 15-176 or
18 15-177 of the Property Tax Code for real property situated in
19 that school district exceeds the total amount that would have
20 been allowed in that school district if the maximum reduction
21 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in
22 all other counties in tax year 2003 or (ii) \$5,000 in all
23 counties in tax year 2004 and thereafter and (b) an amount
24 equal to the aggregate amount for the taxable year of all
25 additional exemptions under Section 15-175 of the Property Tax
26 Code for owners with a household income of \$30,000 or less. The

1 county clerk of any county that is or was subject to the
2 provisions of Section 15-176 or 15-177 of the Property Tax Code
3 shall annually calculate and certify to the Department of
4 Revenue for each school district all homestead exemption
5 amounts under Section 15-176 or 15-177 of the Property Tax Code
6 and all amounts of additional exemptions under Section 15-175
7 of the Property Tax Code for owners with a household income of
8 \$30,000 or less. It is the intent of this paragraph that if the
9 general homestead exemption for a parcel of property is
10 determined under Section 15-176 or 15-177 of the Property Tax
11 Code rather than Section 15-175, then the calculation of
12 Available Local Resources shall not be affected by the
13 difference, if any, between the amount of the general homestead
14 exemption allowed for that parcel of property under Section
15 15-176 or 15-177 of the Property Tax Code and the amount that
16 would have been allowed had the general homestead exemption for
17 that parcel of property been determined under Section 15-175 of
18 the Property Tax Code. It is further the intent of this
19 paragraph that if additional exemptions are allowed under
20 Section 15-175 of the Property Tax Code for owners with a
21 household income of less than \$30,000, then the calculation of
22 Available Local Resources shall not be affected by the
23 difference, if any, because of those additional exemptions.

24 This equalized assessed valuation, as adjusted further by
25 the requirements of this subsection, shall be utilized in the
26 calculation of Available Local Resources.

1 (2) The equalized assessed valuation in paragraph (1) shall
2 be adjusted, as applicable, in the following manner:

3 (a) For the purposes of calculating State aid under
4 this Section, with respect to any part of a school district
5 within a redevelopment project area in respect to which a
6 municipality has adopted tax increment allocation
7 financing pursuant to the Tax Increment Allocation
8 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
9 of the Illinois Municipal Code or the Industrial Jobs
10 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
11 Illinois Municipal Code, no part of the current equalized
12 assessed valuation of real property located in any such
13 project area which is attributable to an increase above the
14 total initial equalized assessed valuation of such
15 property shall be used as part of the equalized assessed
16 valuation of the district, until such time as all
17 redevelopment project costs have been paid, as provided in
18 Section 11-74.4-8 of the Tax Increment Allocation
19 Redevelopment Act or in Section 11-74.6-35 of the
20 Industrial Jobs Recovery Law. For the purpose of the
21 equalized assessed valuation of the district, the total
22 initial equalized assessed valuation or the current
23 equalized assessed valuation, whichever is lower, shall be
24 used until such time as all redevelopment project costs
25 have been paid.

26 (b) The real property equalized assessed valuation for

1 a school district shall be adjusted by subtracting from the
2 real property value as equalized or assessed by the
3 Department of Revenue for the district an amount computed
4 by dividing the amount of any abatement of taxes under
5 Section 18-170 of the Property Tax Code by 3.00% for a
6 district maintaining grades kindergarten through 12, by
7 2.30% for a district maintaining grades kindergarten
8 through 8, or by 1.05% for a district maintaining grades 9
9 through 12 and adjusted by an amount computed by dividing
10 the amount of any abatement of taxes under subsection (a)
11 of Section 18-165 of the Property Tax Code by the same
12 percentage rates for district type as specified in this
13 subparagraph (b).

14 (3) For the 1999-2000 school year and each school year
15 thereafter, if a school district meets all of the criteria of
16 this subsection (G) (3), the school district's Available Local
17 Resources shall be calculated under subsection (D) using the
18 district's Extension Limitation Equalized Assessed Valuation
19 as calculated under this subsection (G) (3).

20 For purposes of this subsection (G) (3) the following terms
21 shall have the following meanings:

22 "Budget Year": The school year for which general State
23 aid is calculated and awarded under subsection (E).

24 "Base Tax Year": The property tax levy year used to
25 calculate the Budget Year allocation of general State aid.

26 "Preceding Tax Year": The property tax levy year

1 immediately preceding the Base Tax Year.

2 "Base Tax Year's Tax Extension": The product of the
3 equalized assessed valuation utilized by the County Clerk
4 in the Base Tax Year multiplied by the limiting rate as
5 calculated by the County Clerk and defined in the Property
6 Tax Extension Limitation Law.

7 "Preceding Tax Year's Tax Extension": The product of
8 the equalized assessed valuation utilized by the County
9 Clerk in the Preceding Tax Year multiplied by the Operating
10 Tax Rate as defined in subsection (A).

11 "Extension Limitation Ratio": A numerical ratio,
12 certified by the County Clerk, in which the numerator is
13 the Base Tax Year's Tax Extension and the denominator is
14 the Preceding Tax Year's Tax Extension.

15 "Operating Tax Rate": The operating tax rate as defined
16 in subsection (A).

17 If a school district is subject to property tax extension
18 limitations as imposed under the Property Tax Extension
19 Limitation Law, the State Board of Education shall calculate
20 the Extension Limitation Equalized Assessed Valuation of that
21 district. For the 1999-2000 school year, the Extension
22 Limitation Equalized Assessed Valuation of a school district as
23 calculated by the State Board of Education shall be equal to
24 the product of the district's 1996 Equalized Assessed Valuation
25 and the district's Extension Limitation Ratio. For the
26 2000-2001 school year and each school year thereafter, the

1 Extension Limitation Equalized Assessed Valuation of a school
2 district as calculated by the State Board of Education shall be
3 equal to the product of the Equalized Assessed Valuation last
4 used in the calculation of general State aid and the district's
5 Extension Limitation Ratio. If the Extension Limitation
6 Equalized Assessed Valuation of a school district as calculated
7 under this subsection (G)(3) is less than the district's
8 equalized assessed valuation as calculated pursuant to
9 subsections (G)(1) and (G)(2), then for purposes of calculating
10 the district's general State aid for the Budget Year pursuant
11 to subsection (E), that Extension Limitation Equalized
12 Assessed Valuation shall be utilized to calculate the
13 district's Available Local Resources under subsection (D).

14 Partial elementary unit districts created in accordance
15 with Article 11E of this Code shall not be eligible for the
16 adjustment in this subsection (G)(3) until the fifth year
17 following the effective date of the reorganization.

18 (4) For the purposes of calculating general State aid for
19 the 1999-2000 school year only, if a school district
20 experienced a triennial reassessment on the equalized assessed
21 valuation used in calculating its general State financial aid
22 apportionment for the 1998-1999 school year, the State Board of
23 Education shall calculate the Extension Limitation Equalized
24 Assessed Valuation that would have been used to calculate the
25 district's 1998-1999 general State aid. This amount shall equal
26 the product of the equalized assessed valuation used to

1 calculate general State aid for the 1997-1998 school year and
2 the district's Extension Limitation Ratio. If the Extension
3 Limitation Equalized Assessed Valuation of the school district
4 as calculated under this paragraph (4) is less than the
5 district's equalized assessed valuation utilized in
6 calculating the district's 1998-1999 general State aid
7 allocation, then for purposes of calculating the district's
8 general State aid pursuant to paragraph (5) of subsection (E),
9 that Extension Limitation Equalized Assessed Valuation shall
10 be utilized to calculate the district's Available Local
11 Resources.

12 (5) For school districts having a majority of their
13 equalized assessed valuation in any county except Cook, DuPage,
14 Kane, Lake, McHenry, or Will, if the amount of general State
15 aid allocated to the school district for the 1999-2000 school
16 year under the provisions of subsection (E), (H), and (J) of
17 this Section is less than the amount of general State aid
18 allocated to the district for the 1998-1999 school year under
19 these subsections, then the general State aid of the district
20 for the 1999-2000 school year only shall be increased by the
21 difference between these amounts. The total payments made under
22 this paragraph (5) shall not exceed \$14,000,000. Claims shall
23 be prorated if they exceed \$14,000,000.

24 (H) Supplemental General State Aid.

25 (1) In addition to the general State aid a school district

1 is allotted pursuant to subsection (E), qualifying school
2 districts shall receive a grant, paid in conjunction with a
3 district's payments of general State aid, for supplemental
4 general State aid based upon the concentration level of
5 children from low-income households within the school
6 district. Supplemental State aid grants provided for school
7 districts under this subsection shall be appropriated for
8 distribution to school districts as part of the same line item
9 in which the general State financial aid of school districts is
10 appropriated under this Section. If the appropriation in any
11 fiscal year for general State aid and supplemental general
12 State aid is insufficient to pay the amounts required under the
13 general State aid and supplemental general State aid
14 calculations, then the State Board of Education shall ensure
15 that each school district receives the full amount due for
16 general State aid and the remainder of the appropriation shall
17 be used for supplemental general State aid, which the State
18 Board of Education shall calculate and pay to eligible
19 districts on a prorated basis.

20 (1.5) This paragraph (1.5) applies only to those school
21 years preceding the 2003-2004 school year. For purposes of this
22 subsection (H), the term "Low-Income Concentration Level"
23 shall be the low-income eligible pupil count from the most
24 recently available federal census divided by the Average Daily
25 Attendance of the school district. If, however, (i) the
26 percentage decrease from the 2 most recent federal censuses in

1 the low-income eligible pupil count of a high school district
2 with fewer than 400 students exceeds by 75% or more the
3 percentage change in the total low-income eligible pupil count
4 of contiguous elementary school districts, whose boundaries
5 are coterminous with the high school district, or (ii) a high
6 school district within 2 counties and serving 5 elementary
7 school districts, whose boundaries are coterminous with the
8 high school district, has a percentage decrease from the 2 most
9 recent federal censuses in the low-income eligible pupil count
10 and there is a percentage increase in the total low-income
11 eligible pupil count of a majority of the elementary school
12 districts in excess of 50% from the 2 most recent federal
13 censuses, then the high school district's low-income eligible
14 pupil count from the earlier federal census shall be the number
15 used as the low-income eligible pupil count for the high school
16 district, for purposes of this subsection (H). The changes made
17 to this paragraph (1) by Public Act 92-28 shall apply to
18 supplemental general State aid grants for school years
19 preceding the 2003-2004 school year that are paid in fiscal
20 year 1999 or thereafter and to any State aid payments made in
21 fiscal year 1994 through fiscal year 1998 pursuant to
22 subsection 1(n) of Section 18-8 of this Code (which was
23 repealed on July 1, 1998), and any high school district that is
24 affected by Public Act 92-28 is entitled to a recomputation of
25 its supplemental general State aid grant or State aid paid in
26 any of those fiscal years. This recomputation shall not be

1 affected by any other funding.

2 (1.10) This paragraph (1.10) applies to the 2003-2004
3 school year and each school year thereafter. For purposes of
4 this subsection (H), the term "Low-Income Concentration Level"
5 shall, for each fiscal year, be the low-income eligible pupil
6 count as of July 1 of the immediately preceding fiscal year (as
7 determined by the Department of Human Services based on the
8 number of pupils who are eligible for at least one of the
9 following low income programs: Medicaid, KidCare, TANF, or Food
10 Stamps, excluding pupils who are eligible for services provided
11 by the Department of Children and Family Services, averaged
12 over the 2 immediately preceding fiscal years for fiscal year
13 2004 and over the 3 immediately preceding fiscal years for each
14 fiscal year thereafter) divided by the Average Daily Attendance
15 of the school district.

16 (2) Supplemental general State aid pursuant to this
17 subsection (H) shall be provided as follows for the 1998-1999,
18 1999-2000, and 2000-2001 school years only:

19 (a) For any school district with a Low Income
20 Concentration Level of at least 20% and less than 35%, the
21 grant for any school year shall be \$800 multiplied by the
22 low income eligible pupil count.

23 (b) For any school district with a Low Income
24 Concentration Level of at least 35% and less than 50%, the
25 grant for the 1998-1999 school year shall be \$1,100
26 multiplied by the low income eligible pupil count.

1 (c) For any school district with a Low Income
2 Concentration Level of at least 50% and less than 60%, the
3 grant for the 1998-99 school year shall be \$1,500
4 multiplied by the low income eligible pupil count.

5 (d) For any school district with a Low Income
6 Concentration Level of 60% or more, the grant for the
7 1998-99 school year shall be \$1,900 multiplied by the low
8 income eligible pupil count.

9 (e) For the 1999-2000 school year, the per pupil amount
10 specified in subparagraphs (b), (c), and (d) immediately
11 above shall be increased to \$1,243, \$1,600, and \$2,000,
12 respectively.

13 (f) For the 2000-2001 school year, the per pupil
14 amounts specified in subparagraphs (b), (c), and (d)
15 immediately above shall be \$1,273, \$1,640, and \$2,050,
16 respectively.

17 (2.5) Supplemental general State aid pursuant to this
18 subsection (H) shall be provided as follows for the 2002-2003
19 school year:

20 (a) For any school district with a Low Income
21 Concentration Level of less than 10%, the grant for each
22 school year shall be \$355 multiplied by the low income
23 eligible pupil count.

24 (b) For any school district with a Low Income
25 Concentration Level of at least 10% and less than 20%, the
26 grant for each school year shall be \$675 multiplied by the

1 low income eligible pupil count.

2 (c) For any school district with a Low Income
3 Concentration Level of at least 20% and less than 35%, the
4 grant for each school year shall be \$1,330 multiplied by
5 the low income eligible pupil count.

6 (d) For any school district with a Low Income
7 Concentration Level of at least 35% and less than 50%, the
8 grant for each school year shall be \$1,362 multiplied by
9 the low income eligible pupil count.

10 (e) For any school district with a Low Income
11 Concentration Level of at least 50% and less than 60%, the
12 grant for each school year shall be \$1,680 multiplied by
13 the low income eligible pupil count.

14 (f) For any school district with a Low Income
15 Concentration Level of 60% or more, the grant for each
16 school year shall be \$2,080 multiplied by the low income
17 eligible pupil count.

18 (2.10) Except as otherwise provided, supplemental general
19 State aid pursuant to this subsection (H) shall be provided as
20 follows for the 2003-2004 school year and each school year
21 thereafter:

22 (a) For any school district with a Low Income
23 Concentration Level of 15% or less, the grant for each
24 school year shall be \$355 multiplied by the low income
25 eligible pupil count.

26 (b) For any school district with a Low Income

1 Concentration Level greater than 15%, the grant for each
2 school year shall be \$294.25 added to the product of \$2,700
3 and the square of the Low Income Concentration Level, all
4 multiplied by the low income eligible pupil count.

5 For the 2003-2004 school year, 2004-2005 school year,
6 2005-2006 school year, and 2006-2007 school year only, the
7 grant shall be no less than the grant for the 2002-2003 school
8 year. For the 2007-2008 school year only, the grant shall be no
9 less than the grant for the 2002-2003 school year multiplied by
10 0.66. For the 2008-2009 school year only, the grant shall be no
11 less than the grant for the 2002-2003 school year multiplied by
12 0.33. Notwithstanding the provisions of this paragraph to the
13 contrary, if for any school year supplemental general State aid
14 grants are prorated as provided in paragraph (1) of this
15 subsection (H), then the grants under this paragraph shall be
16 prorated.

17 For the 2003-2004 school year only, the grant shall be no
18 greater than the grant received during the 2002-2003 school
19 year added to the product of 0.25 multiplied by the difference
20 between the grant amount calculated under subsection (a) or (b)
21 of this paragraph (2.10), whichever is applicable, and the
22 grant received during the 2002-2003 school year. For the
23 2004-2005 school year only, the grant shall be no greater than
24 the grant received during the 2002-2003 school year added to
25 the product of 0.50 multiplied by the difference between the
26 grant amount calculated under subsection (a) or (b) of this

1 paragraph (2.10), whichever is applicable, and the grant
2 received during the 2002-2003 school year. For the 2005-2006
3 school year only, the grant shall be no greater than the grant
4 received during the 2002-2003 school year added to the product
5 of 0.75 multiplied by the difference between the grant amount
6 calculated under subsection (a) or (b) of this paragraph
7 (2.10), whichever is applicable, and the grant received during
8 the 2002-2003 school year.

9 (3) School districts with an Average Daily Attendance of
10 more than 1,000 and less than 50,000 that qualify for
11 supplemental general State aid pursuant to this subsection
12 shall submit a plan to the State Board of Education prior to
13 October 30 of each year for the use of the funds resulting from
14 this grant of supplemental general State aid for the
15 improvement of instruction in which priority is given to
16 meeting the education needs of disadvantaged children. Such
17 plan shall be submitted in accordance with rules and
18 regulations promulgated by the State Board of Education.

19 (4) School districts with an Average Daily Attendance of
20 50,000 or more that qualify for supplemental general State aid
21 pursuant to this subsection shall be required to distribute
22 from funds available pursuant to this Section, no less than
23 \$261,000,000 in accordance with the following requirements:

24 (a) The required amounts shall be distributed to the
25 attendance centers within the district in proportion to the
26 number of pupils enrolled at each attendance center who are

1 eligible to receive free or reduced-price lunches or
2 breakfasts under the federal Child Nutrition Act of 1966
3 and under the National School Lunch Act during the
4 immediately preceding school year.

5 (b) The distribution of these portions of supplemental
6 and general State aid among attendance centers according to
7 these requirements shall not be compensated for or
8 contravened by adjustments of the total of other funds
9 appropriated to any attendance centers, and the Board of
10 Education shall utilize funding from one or several sources
11 in order to fully implement this provision annually prior
12 to the opening of school.

13 (c) Each attendance center shall be provided by the
14 school district a distribution of noncategorical funds and
15 other categorical funds to which an attendance center is
16 entitled under law in order that the general State aid and
17 supplemental general State aid provided by application of
18 this subsection supplements rather than supplants the
19 noncategorical funds and other categorical funds provided
20 by the school district to the attendance centers.

21 (d) Any funds made available under this subsection that
22 by reason of the provisions of this subsection are not
23 required to be allocated and provided to attendance centers
24 may be used and appropriated by the board of the district
25 for any lawful school purpose.

26 (e) Funds received by an attendance center pursuant to

1 this subsection shall be used by the attendance center at
2 the discretion of the principal and local school council
3 for programs to improve educational opportunities at
4 qualifying schools through the following programs and
5 services: early childhood education, reduced class size or
6 improved adult to student classroom ratio, enrichment
7 programs, remedial assistance, attendance improvement, and
8 other educationally beneficial expenditures which
9 supplement the regular and basic programs as determined by
10 the State Board of Education. Funds provided shall not be
11 expended for any political or lobbying purposes as defined
12 by board rule.

13 (f) Each district subject to the provisions of this
14 subdivision (H) (4) shall submit an acceptable plan to meet
15 the educational needs of disadvantaged children, in
16 compliance with the requirements of this paragraph, to the
17 State Board of Education prior to July 15 of each year.
18 This plan shall be consistent with the decisions of local
19 school councils concerning the school expenditure plans
20 developed in accordance with part 4 of Section 34-2.3. The
21 State Board shall approve or reject the plan within 60 days
22 after its submission. If the plan is rejected, the district
23 shall give written notice of intent to modify the plan
24 within 15 days of the notification of rejection and then
25 submit a modified plan within 30 days after the date of the
26 written notice of intent to modify. Districts may amend

1 approved plans pursuant to rules promulgated by the State
2 Board of Education.

3 Upon notification by the State Board of Education that
4 the district has not submitted a plan prior to July 15 or a
5 modified plan within the time period specified herein, the
6 State aid funds affected by that plan or modified plan
7 shall be withheld by the State Board of Education until a
8 plan or modified plan is submitted.

9 If the district fails to distribute State aid to
10 attendance centers in accordance with an approved plan, the
11 plan for the following year shall allocate funds, in
12 addition to the funds otherwise required by this
13 subsection, to those attendance centers which were
14 underfunded during the previous year in amounts equal to
15 such underfunding.

16 For purposes of determining compliance with this
17 subsection in relation to the requirements of attendance
18 center funding, each district subject to the provisions of
19 this subsection shall submit as a separate document by
20 December 1 of each year a report of expenditure data for
21 the prior year in addition to any modification of its
22 current plan. If it is determined that there has been a
23 failure to comply with the expenditure provisions of this
24 subsection regarding contravention or supplanting, the
25 State Superintendent of Education shall, within 60 days of
26 receipt of the report, notify the district and any affected

1 local school council. The district shall within 45 days of
2 receipt of that notification inform the State
3 Superintendent of Education of the remedial or corrective
4 action to be taken, whether by amendment of the current
5 plan, if feasible, or by adjustment in the plan for the
6 following year. Failure to provide the expenditure report
7 or the notification of remedial or corrective action in a
8 timely manner shall result in a withholding of the affected
9 funds.

10 The State Board of Education shall promulgate rules and
11 regulations to implement the provisions of this
12 subsection. No funds shall be released under this
13 subdivision (H) (4) to any district that has not submitted a
14 plan that has been approved by the State Board of
15 Education.

16 (I) (Blank).

17 (J) Supplementary Grants in Aid.

18 (1) Notwithstanding any other provisions of this Section,
19 the amount of the aggregate general State aid in combination
20 with supplemental general State aid under this Section for
21 which each school district is eligible shall be no less than
22 the amount of the aggregate general State aid entitlement that
23 was received by the district under Section 18-8 (exclusive of
24 amounts received under subsections 5(p) and 5(p-5) of that

1 Section) for the 1997-98 school year, pursuant to the
2 provisions of that Section as it was then in effect. If a
3 school district qualifies to receive a supplementary payment
4 made under this subsection (J), the amount of the aggregate
5 general State aid in combination with supplemental general
6 State aid under this Section which that district is eligible to
7 receive for each school year shall be no less than the amount
8 of the aggregate general State aid entitlement that was
9 received by the district under Section 18-8 (exclusive of
10 amounts received under subsections 5(p) and 5(p-5) of that
11 Section) for the 1997-1998 school year, pursuant to the
12 provisions of that Section as it was then in effect.

13 (2) If, as provided in paragraph (1) of this subsection
14 (J), a school district is to receive aggregate general State
15 aid in combination with supplemental general State aid under
16 this Section for the 1998-99 school year and any subsequent
17 school year that in any such school year is less than the
18 amount of the aggregate general State aid entitlement that the
19 district received for the 1997-98 school year, the school
20 district shall also receive, from a separate appropriation made
21 for purposes of this subsection (J), a supplementary payment
22 that is equal to the amount of the difference in the aggregate
23 State aid figures as described in paragraph (1).

24 (3) (Blank).

25 (K) Grants to Laboratory and Alternative Schools.

1 In calculating the amount to be paid to the governing board
2 of a public university that operates a laboratory school under
3 this Section or to any alternative school that is operated by a
4 regional superintendent of schools, the State Board of
5 Education shall require by rule such reporting requirements as
6 it deems necessary.

7 As used in this Section, "laboratory school" means a public
8 school which is created and operated by a public university and
9 approved by the State Board of Education. The governing board
10 of a public university which receives funds from the State
11 Board under this subsection (K) may not increase the number of
12 students enrolled in its laboratory school from a single
13 district, if that district is already sending 50 or more
14 students, except under a mutual agreement between the school
15 board of a student's district of residence and the university
16 which operates the laboratory school. A laboratory school may
17 not have more than 1,000 students, excluding students with
18 disabilities in a special education program.

19 As used in this Section, "alternative school" means a
20 public school which is created and operated by a Regional
21 Superintendent of Schools and approved by the State Board of
22 Education. Such alternative schools may offer courses of
23 instruction for which credit is given in regular school
24 programs, courses to prepare students for the high school
25 equivalency testing program or vocational and occupational
26 training. A regional superintendent of schools may contract

1 with a school district or a public community college district
2 to operate an alternative school. An alternative school serving
3 more than one educational service region may be established by
4 the regional superintendents of schools of the affected
5 educational service regions. An alternative school serving
6 more than one educational service region may be operated under
7 such terms as the regional superintendents of schools of those
8 educational service regions may agree.

9 Each laboratory and alternative school shall file, on forms
10 provided by the State Superintendent of Education, an annual
11 State aid claim which states the Average Daily Attendance of
12 the school's students by month. The best 3 months' Average
13 Daily Attendance shall be computed for each school. The general
14 State aid entitlement shall be computed by multiplying the
15 applicable Average Daily Attendance by the Foundation Level as
16 determined under this Section.

17 (L) Payments, Additional Grants in Aid and Other Requirements.

18 (1) For a school district operating under the financial
19 supervision of an Authority created under Article 34A, the
20 general State aid otherwise payable to that district under this
21 Section, but not the supplemental general State aid, shall be
22 reduced by an amount equal to the budget for the operations of
23 the Authority as certified by the Authority to the State Board
24 of Education, and an amount equal to such reduction shall be
25 paid to the Authority created for such district for its

1 operating expenses in the manner provided in Section 18-11. The
2 remainder of general State school aid for any such district
3 shall be paid in accordance with Article 34A when that Article
4 provides for a disposition other than that provided by this
5 Article.

6 (2) (Blank).

7 (3) Summer school. Summer school payments shall be made as
8 provided in Section 18-4.3.

9 (M) Education Funding Advisory Board.

10 The Education Funding Advisory Board, hereinafter in this
11 subsection (M) referred to as the "Board", is hereby created.
12 The Board shall consist of 5 members who are appointed by the
13 Governor, by and with the advice and consent of the Senate. The
14 members appointed shall include representatives of education,
15 business, and the general public. One of the members so
16 appointed shall be designated by the Governor at the time the
17 appointment is made as the chairperson of the Board. The
18 initial members of the Board may be appointed any time after
19 the effective date of this amendatory Act of 1997. The regular
20 term of each member of the Board shall be for 4 years from the
21 third Monday of January of the year in which the term of the
22 member's appointment is to commence, except that of the 5
23 initial members appointed to serve on the Board, the member who
24 is appointed as the chairperson shall serve for a term that
25 commences on the date of his or her appointment and expires on

1 the third Monday of January, 2002, and the remaining 4 members,
2 by lots drawn at the first meeting of the Board that is held
3 after all 5 members are appointed, shall determine 2 of their
4 number to serve for terms that commence on the date of their
5 respective appointments and expire on the third Monday of
6 January, 2001, and 2 of their number to serve for terms that
7 commence on the date of their respective appointments and
8 expire on the third Monday of January, 2000. All members
9 appointed to serve on the Board shall serve until their
10 respective successors are appointed and confirmed. Vacancies
11 shall be filled in the same manner as original appointments. If
12 a vacancy in membership occurs at a time when the Senate is not
13 in session, the Governor shall make a temporary appointment
14 until the next meeting of the Senate, when he or she shall
15 appoint, by and with the advice and consent of the Senate, a
16 person to fill that membership for the unexpired term. If the
17 Senate is not in session when the initial appointments are
18 made, those appointments shall be made as in the case of
19 vacancies.

20 The Education Funding Advisory Board shall be deemed
21 established, and the initial members appointed by the Governor
22 to serve as members of the Board shall take office, on the date
23 that the Governor makes his or her appointment of the fifth
24 initial member of the Board, whether those initial members are
25 then serving pursuant to appointment and confirmation or
26 pursuant to temporary appointments that are made by the

1 Governor as in the case of vacancies.

2 The State Board of Education shall provide such staff
3 assistance to the Education Funding Advisory Board as is
4 reasonably required for the proper performance by the Board of
5 its responsibilities.

6 For school years after the 2000-2001 school year, the
7 Education Funding Advisory Board, in consultation with the
8 State Board of Education, shall make recommendations as
9 provided in this subsection (M) to the General Assembly for the
10 foundation level under subdivision (B)(3) of this Section and
11 for the supplemental general State aid grant level under
12 subsection (H) of this Section for districts with high
13 concentrations of children from poverty. The recommended
14 foundation level shall be determined based on a methodology
15 which incorporates the basic education expenditures of
16 low-spending schools exhibiting high academic performance. The
17 Education Funding Advisory Board shall make such
18 recommendations to the General Assembly on January 1 of odd
19 numbered years, beginning January 1, 2001.

20 (N) (Blank).

21 (O) References.

22 (1) References in other laws to the various subdivisions of
23 Section 18-8 as that Section existed before its repeal and
24 replacement by this Section 18-8.05 shall be deemed to refer to

1 the corresponding provisions of this Section 18-8.05, to the
2 extent that those references remain applicable.

3 (2) References in other laws to State Chapter 1 funds shall
4 be deemed to refer to the supplemental general State aid
5 provided under subsection (H) of this Section.

6 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
7 changes to this Section. Under Section 6 of the Statute on
8 Statutes there is an irreconcilable conflict between Public Act
9 93-808 and Public Act 93-838. Public Act 93-838, being the last
10 acted upon, is controlling. The text of Public Act 93-838 is
11 the law regardless of the text of Public Act 93-808.

12 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,
13 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
14 95-331, eff. 8-21-07; 95-644, eff. 10-12-07.)

15 (105 ILCS 5/29-3) (from Ch. 122, par. 29-3)

16 Sec. 29-3. Transportation in school districts. School
17 boards of community consolidated districts, community unit
18 districts, consolidated districts, ~~and~~ consolidated high
19 school districts, optional elementary unit districts, combined
20 high school - unit districts, ~~and~~ combined school districts if
21 the combined district includes any district which was
22 previously required to provide transportation, and any newly
23 created elementary or high school districts resulting from a
24 high school - unit conversion, a unit to dual conversion, or a

1 multi-unit conversion if the newly created district includes
2 any area that was previously required to provide transportation
3 shall provide free transportation for pupils residing at a
4 distance of one and one-half miles or more from any school to
5 which they are assigned for attendance maintained within the
6 district, except for those pupils for whom the school board
7 shall certify to the State Board of Education that adequate
8 transportation for the public is available.

9 For the purpose of this Act 1 1/2 miles distance shall be
10 from the exit of the property where the pupil resides to the
11 point where pupils are normally unloaded at the school
12 attended; such distance shall be measured by determining the
13 shortest distance on normally traveled roads or streets.

14 Such school board may comply with the provisions of this
15 Section by providing free transportation for pupils to and from
16 an assigned school and a pick-up point located not more than
17 one and one-half miles from the home of each pupil assigned to
18 such point.

19 For the purposes of this Act "adequate transportation for
20 the public" shall be assumed to exist for such pupils as can
21 reach school by walking, one way, along normally traveled roads
22 or streets less than 1 1/2 miles irrespective of the distance
23 the pupil is transported by public transportation.

24 In addition to the other requirements of this Section, each
25 school board may provide free transportation for any pupil
26 residing within 1 1/2 miles from the school attended where

1 conditions are such that walking, either to or from the school
2 to which a pupil is assigned for attendance or to or from a
3 pick-up point or bus stop, constitutes a serious hazard to the
4 safety of the pupil due to vehicular traffic or rail crossings.
5 Such transportation shall not be provided if adequate
6 transportation for the public is available.

7 The determination as to what constitutes a serious safety
8 hazard shall be made by the school board, in accordance with
9 guidelines promulgated by the Illinois Department of
10 Transportation, in consultation with the State Superintendent
11 of Education. A school board, on written petition of the parent
12 or guardian of a pupil for whom adequate transportation for the
13 public is alleged not to exist because the pupil is required to
14 walk along normally traveled roads or streets where walking is
15 alleged to constitute a serious safety hazard due to vehicular
16 traffic or rail crossings, or who is required to walk between
17 the pupil's home and assigned school or between the pupil's
18 home or assigned school and a pick-up point or bus stop along
19 roads or streets where walking is alleged to constitute a
20 serious safety hazard due to vehicular traffic or rail
21 crossings, shall conduct a study and make findings, which the
22 Department of Transportation shall review and approve or
23 disapprove as provided in this Section, to determine whether a
24 serious safety hazard exists as alleged in the petition. The
25 Department of Transportation shall review the findings of the
26 school board and shall approve or disapprove the school board's

1 determination that a serious safety hazard exists within 30
2 days after the school board submits its findings to the
3 Department. The school board shall annually review the
4 conditions and determine whether or not the hazardous
5 conditions remain unchanged. The State Superintendent of
6 Education may request that the Illinois Department of
7 Transportation verify that the conditions have not changed. No
8 action shall lie against the school board, the State
9 Superintendent of Education or the Illinois Department of
10 Transportation for decisions made in accordance with this
11 Section. The provisions of the Administrative Review Law and
12 all amendments and modifications thereof and the rules adopted
13 pursuant thereto shall apply to and govern all proceedings
14 instituted for the judicial review of final administrative
15 decisions of the Department of Transportation under this
16 Section.

17 (Source: P.A. 94-439, eff. 8-4-05.)

18 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

19 Sec. 29-5. Reimbursement by State for transportation. Any
20 school district, maintaining a school, transporting resident
21 pupils to another school district's vocational program,
22 offered through a joint agreement approved by the State Board
23 of Education, as provided in Section 10-22.22 or transporting
24 its resident pupils to a school which meets the standards for
25 recognition as established by the State Board of Education

1 which provides transportation meeting the standards of safety,
2 comfort, convenience, efficiency and operation prescribed by
3 the State Board of Education for resident pupils in
4 kindergarten or any of grades 1 through 12 who: (a) reside at
5 least 1 1/2 miles as measured by the customary route of travel,
6 from the school attended; or (b) reside in areas where
7 conditions are such that walking constitutes a hazard to the
8 safety of the child when determined under Section 29-3; and (c)
9 are transported to the school attended from pick-up points at
10 the beginning of the school day and back again at the close of
11 the school day or transported to and from their assigned
12 attendance centers during the school day, shall be reimbursed
13 by the State as hereinafter provided in this Section.

14 The State will pay the cost of transporting eligible pupils
15 less the assessed valuation in a dual school district
16 maintaining secondary grades 9 to 12 inclusive times a
17 qualifying rate of .05%; in elementary school districts
18 maintaining grades K to 8 times a qualifying rate of .06%; and
19 in unit districts maintaining grades K to 12, including
20 optional elementary unit districts and combined high school -
21 unit districts, times a qualifying rate of .07%; provided that
22 for optional elementary unit districts and combined high school
23 - unit districts, assessed valuation for high school purposes,
24 as defined in Article 11E of this Code, must be used. To be
25 eligible to receive reimbursement in excess of 4/5 of the cost
26 to transport eligible pupils, a school district shall have a

1 Transportation Fund tax rate of at least .12%. If a school
2 district does not have a .12% Transportation Fund tax rate, the
3 amount of its claim in excess of 4/5 of the cost of
4 transporting pupils shall be reduced by the sum arrived at by
5 subtracting the Transportation Fund tax rate from .12% and
6 multiplying that amount by the districts equalized or assessed
7 valuation, provided, that in no case shall said reduction
8 result in reimbursement of less than 4/5 of the cost to
9 transport eligible pupils.

10 The minimum amount to be received by a district is \$16
11 times the number of eligible pupils transported.

12 Any such district transporting resident pupils during the
13 school day to an area vocational school or another school
14 district's vocational program more than 1 1/2 miles from the
15 school attended, as provided in Sections 10-22.20a and
16 10-22.22, shall be reimbursed by the State for 4/5 of the cost
17 of transporting eligible pupils.

18 School day means that period of time which the pupil is
19 required to be in attendance for instructional purposes.

20 If a pupil is at a location within the school district
21 other than his residence for child care purposes at the time
22 for transportation to school, that location may be considered
23 for purposes of determining the 1 1/2 miles from the school
24 attended.

25 Claims for reimbursement that include children who attend
26 any school other than a public school shall show the number of

1 such children transported.

2 Claims for reimbursement under this Section shall not be
3 paid for the transportation of pupils for whom transportation
4 costs are claimed for payment under other Sections of this Act.

5 The allowable direct cost of transporting pupils for
6 regular, vocational, and special education pupil
7 transportation shall be limited to the sum of the cost of
8 physical examinations required for employment as a school bus
9 driver; the salaries of full or part-time drivers and school
10 bus maintenance personnel; employee benefits excluding
11 Illinois municipal retirement payments, social security
12 payments, unemployment insurance payments and workers'
13 compensation insurance premiums; expenditures to independent
14 carriers who operate school buses; payments to other school
15 districts for pupil transportation services; pre-approved
16 contractual expenditures for computerized bus scheduling; the
17 cost of gasoline, oil, tires, and other supplies necessary for
18 the operation of school buses; the cost of converting buses'
19 gasoline engines to more fuel efficient engines or to engines
20 which use alternative energy sources; the cost of travel to
21 meetings and workshops conducted by the regional
22 superintendent or the State Superintendent of Education
23 pursuant to the standards established by the Secretary of State
24 under Section 6-106 of the Illinois Vehicle Code to improve the
25 driving skills of school bus drivers; the cost of maintenance
26 of school buses including parts and materials used;

1 expenditures for leasing transportation vehicles, except
2 interest and service charges; the cost of insurance and
3 licenses for transportation vehicles; expenditures for the
4 rental of transportation equipment; plus a depreciation
5 allowance of 20% for 5 years for school buses and vehicles
6 approved for transporting pupils to and from school and a
7 depreciation allowance of 10% for 10 years for other
8 transportation equipment so used. Each school year, if a school
9 district has made expenditures to the Regional Transportation
10 Authority or any of its service boards, a mass transit
11 district, or an urban transportation district under an
12 intergovernmental agreement with the district to provide for
13 the transportation of pupils and if the public transit carrier
14 received direct payment for services or passes from a school
15 district within its service area during the 2000-2001 school
16 year, then the allowable direct cost of transporting pupils for
17 regular, vocational, and special education pupil
18 transportation shall also include the expenditures that the
19 district has made to the public transit carrier. In addition to
20 the above allowable costs school districts shall also claim all
21 transportation supervisory salary costs, including Illinois
22 municipal retirement payments, and all transportation related
23 building and building maintenance costs without limitation.

24 Special education allowable costs shall also include
25 expenditures for the salaries of attendants or aides for that
26 portion of the time they assist special education pupils while

1 in transit and expenditures for parents and public carriers for
2 transporting special education pupils when pre-approved by the
3 State Superintendent of Education.

4 Indirect costs shall be included in the reimbursement claim
5 for districts which own and operate their own school buses.
6 Such indirect costs shall include administrative costs, or any
7 costs attributable to transporting pupils from their
8 attendance centers to another school building for
9 instructional purposes. No school district which owns and
10 operates its own school buses may claim reimbursement for
11 indirect costs which exceed 5% of the total allowable direct
12 costs for pupil transportation.

13 The State Board of Education shall prescribe uniform
14 regulations for determining the above standards and shall
15 prescribe forms of cost accounting and standards of determining
16 reasonable depreciation. Such depreciation shall include the
17 cost of equipping school buses with the safety features
18 required by law or by the rules, regulations and standards
19 promulgated by the State Board of Education, and the Department
20 of Transportation for the safety and construction of school
21 buses provided, however, any equipment cost reimbursed by the
22 Department of Transportation for equipping school buses with
23 such safety equipment shall be deducted from the allowable cost
24 in the computation of reimbursement under this Section in the
25 same percentage as the cost of the equipment is depreciated.

26 On or before August 15, annually, the chief school

1 administrator for the district shall certify to the State
2 Superintendent of Education the district's claim for
3 reimbursement for the school year ending on June 30 next
4 preceding. The State Superintendent of Education shall check
5 and approve the claims and prepare the vouchers showing the
6 amounts due for district reimbursement claims. Each fiscal
7 year, the State Superintendent of Education shall prepare and
8 transmit the first 3 vouchers to the Comptroller on the 30th
9 day of September, December and March, respectively, and the
10 final voucher, no later than June 20.

11 If the amount appropriated for transportation
12 reimbursement is insufficient to fund total claims for any
13 fiscal year, the State Board of Education shall reduce each
14 school district's allowable costs and flat grant amount
15 proportionately to make total adjusted claims equal the total
16 amount appropriated.

17 For purposes of calculating claims for reimbursement under
18 this Section for any school year beginning July 1, 1998, or
19 thereafter, the equalized assessed valuation for a school
20 district used to compute reimbursement shall be computed in the
21 same manner as it is computed under paragraph (2) of subsection
22 (G) of Section 18-8.05.

23 All reimbursements received from the State shall be
24 deposited into the district's transportation fund or into the
25 fund from which the allowable expenditures were made.

26 Notwithstanding any other provision of law, any school

1 district receiving a payment under this Section or under
2 Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may
3 classify all or a portion of the funds that it receives in a
4 particular fiscal year or from general State aid pursuant to
5 Section 18-8.05 of this Code as funds received in connection
6 with any funding program for which it is entitled to receive
7 funds from the State in that fiscal year (including, without
8 limitation, any funding program referenced in this Section),
9 regardless of the source or timing of the receipt. The district
10 may not classify more funds as funds received in connection
11 with the funding program than the district is entitled to
12 receive in that fiscal year for that program. Any
13 classification by a district must be made by a resolution of
14 its board of education. The resolution must identify the amount
15 of any payments or general State aid to be classified under
16 this paragraph and must specify the funding program to which
17 the funds are to be treated as received in connection
18 therewith. This resolution is controlling as to the
19 classification of funds referenced therein. A certified copy of
20 the resolution must be sent to the State Superintendent of
21 Education. The resolution shall still take effect even though a
22 copy of the resolution has not been sent to the State
23 Superintendent of Education in a timely manner. No
24 classification under this paragraph by a district shall affect
25 the total amount or timing of money the district is entitled to
26 receive under this Code. No classification under this paragraph

1 by a district shall in any way relieve the district from or
2 affect any requirements that otherwise would apply with respect
3 to that funding program, including any accounting of funds by
4 source, reporting expenditures by original source and purpose,
5 reporting requirements, or requirements of providing services.

6 Any school district with a population of not more than
7 500,000 must deposit all funds received under this Article into
8 the transportation fund and use those funds for the provision
9 of transportation services.

10 (Source: P.A. 93-166, eff. 7-10-03; 93-663, eff. 2-17-04;
11 93-1022, eff. 8-24-04; 94-875, eff. 7-1-06.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.